

# The Mining Journal

## ANALYSIS OF RAND AND O.F.S. QUARTERLIES

### "So Little Done, So Much To Do"

— CECIL RHODES

WITH the technical performance of the South African gold industry proceeding on a course of mounting achievement, the issues of crucial importance for the Kaffir market continue to be, first, the future direction of South African racial policies and, second, whether a new administration in Washington will bring with it a different approach to the problem of the gold price or alternatively, whether, in any event, economic pressures on the dollar will result inescapably in a rise in the gold price.

Both these matters are of such paramount importance that we make no apology for once again focussing our attention primarily upon them rather than on the many other problems of more exclusive concern to the gold mining industry, which under normal conditions it should be the prime function of this *Supplement* to examine.

Of these two main issues, that of how Dr. Verwoerd's government proposes to grapple with the racial problem in a post-referendum climate is, and seems likely to remain, pre-eminent. Even if a rise in the gold price did occur, its market importance would be transitory as, although the general level at which share prices would settle down after such a rise would of course be substantially higher than now, the stimulus of a higher gold price would probably have worked its way through the mining industry and the Kaffir market inside of a year or so, leaving the longer term outlook once again dependent on the future pattern of living which the Union is beginning to shape for itself.

Moreover it is not unlikely that the greater prosperity which a higher gold price would bring to the Union, might if it came at this precise moment, have the unfortunate consequence of devitalising the influence of recent events on the changing climate of South African opinion on racial matters.

With, on the one hand, the pace of African advancement accelerating to the north of the Zambesi while, on the other, the Union's exchange reserves and, in foreign eyes, its rating as an investment risk continue to deteriorate, this is no moment for glossing over the state of foreign sentiment towards the Union in the face of Dr. Verwoerd's public reaffirmation, as recently as two months ago, of his government's intention to persist with its policy of complete racial separation.

In what follows it is not our purpose to attack South African racial policies to which the great majority of public opinion, as well as the government, is in

any case firmly committed, even though in all honesty we admit to having our own deep misgivings as to the feasibility of these policies. We aim merely to set out, for the guidance of investors, first, what we understand is meant in South Africa today by a policy of apartheid and then to suggest the conditions under which there seems to us to be any reasonable hope of this policy winning support among the countries of the Free World—and in the process taking most of what the foreign observer today regards as the political risk out of investment in the Union.

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#### South African Racial Policies Seen from Abroad

First, however, let us clear away a popular South African misconception about the motives of Western countries in criticising South African racial policies. This is that the overt condemnation, or tacit disapproval, by Western governments and financial interests of present South African racial policies stems primarily from moral indignation based on misapprehension of the true significance of apartheid or of the circumstances which have given rise to it. This simply is not so. Partition, as a political solution to otherwise insoluble situations, is nothing new to Western diplomacy. It is a solution of last resort but, given that the basis of partition is just and practical, it is a possible solution.

It is perfectly true that a great many private individuals in the Western democracies do react emotionally to the South African problem, and are still unaware of the tremendous economic and social problems created by the widely different living standards and social customs of the black majority and the white minority, just as they are unaware of the degree of economic advancement which the Nationalist government has enabled the urban Bantu to achieve in the past decade.

However, when it comes to the harsh realities of international politics and finance, disapproval of South African racial policies is based, not on any misplaced emotional reaction to a misunderstood situation, but quite simply on the belief that apartheid in the form in which it has so far manifested itself won't work, or alternatively, on the most favourable view of its present dynamic, that it won't work quickly enough in the prevailing climate of emergent African nationalism.

This is not to say that African nationalism is accepted as necessarily good, either in character or in pace, but simply as inevitable. Moreover, given its inevitability, the West cannot afford to allow the political forces, which this nationalism will generate, to be turned away into the Communist camp, either by neglect or affront.

#### What Apartheid Means Today

Part of the lack of sympathy in the West for South African racial policies arises from the impression created in the earlier years of apartheid that this policy meant quite simply segregation and exploitation of the black man by the white. In fact, among white South Africans today, or more exactly among those in a position to formulate policy and influence opinion, apartheid now means a positive policy of partition with separate economic and political advancement for the African within his territory together with a new deal for the urban African who remains in the white African state.

It must, however, be emphasised that there is, as yet, no popular realization outside the Union that this is the policy to which the government is now committed, nor, in those responsible and informed quarters where this is realized, it is felt that government actions and political attitudes inside the Union are becoming adapted to this new policy in a realistic manner. The suspicion, which above all South Africa must prove

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to be ill-founded, is that apartheid is not seriously intended as a positive solution to a political *impasse* but is merely an attempt to make Baaskap sound more respectable.

Commonwealth governments, and those of other friendly countries, may or may not feel that the best hope of solving South Africa's racial problem lies in the gradual integration of the African within the framework of a multi-racial society, but we can none of us object in principle to the alternative solution of partition, if only because the European, Coloured and Asiatic minorities in the Union are together so much larger than in other African countries. We have however every justification for disliking this alternative solution if it is not adopted with sufficient boldness, urgency and personal sacrifice to ensure its success at a speed bearing some relation to the needs of the wider African political problem.

#### Can It Win the Support of the West?

The new political pattern throughout Africa is crystalizing fast and the real intentions of the West are already beginning to be judged by the emergent African states on actions rather than promises. Thus for the West to do anything which might seem to endorse the *status quo* in South Africa could do incalculable harm to its relations with the Afro-Asian bloc.

It would however be conceivably possible for the West to endorse, and even actively to assist in financing, a programme aimed at the creation of one or more independent Bantu states, provided it was clear beyond a doubt that the underlying intention was no longer the negative one of fencing off unwanted African labour in the reserves, but the positive one of promoting, by every possible means and at real sacrifice to the European community, both the economic growth of these territories and their political advancement to eventual independence.

It would of course also have to be demonstrable that the Africans remaining in white South Africa who might then be in a minority as against the Europeans Coloureds and Asiatics, would have the prospect of enjoying not only progressively higher living standards but also relief from the other sources of discontent which have been the causes of the majority of urban incidents before Sharpeville and since and incidentally have provided the most favourable possible climate for the development of African nationalism. Chief among these have been the methods used, at any rate until quite recently, in administering influx control and the pass laws, the incidence of job reservation, the ban on trade unions and the prohibition on property ownership.

Without attempting to examine the problem in detail it is perhaps possible to indicate in broad terms the kind of approach to the implementation of apartheid which might stand a fair chance of winning a sympathetic response overseas and indeed in some of the newly independent African states.

In the first place, the new Bantu states would have to be set up on a basis which offers the guarantee of complete political independence as soon as the Bantus are capable of running their own affairs and express a desire to do so. Secondly these states would have to be individually large and cohesive enough and sufficiently well endowed with natural resources for each one to have an economically justifiable basis for its separate existence. (One of

the troubles with the old native reserves has been that over-crowding coupled with archaic agricultural practices has rendered them quite uneconomic).

#### What Real Partition Would Mean

For these requirements to be met it seems to us inescapable that the South African government should scrap the existing pattern of the Bantu "homelands", as the areas reserved for African development are called, and which are so fragmented as to make any coherent political or economic entities impossible. Also, it seems inescapable that the total area of South Africa to be made over to the homelands should be greatly increased.

Aside from the fact that in a backward agrarian community a much less dense population can be supported than in an industrialized country, the cold fact is that the population of the Union (excluding S.W. Africa) is today around 15,850,000, including 10,800,000 Africans. Of these Africans, some 6,000,000 are initially expected to live in the homelands (population growth is expected to cause this figure to rise quite rapidly) and on the basis of present government plans they will apparently occupy some 20 per cent of the non-desert area of the Union, and moreover will be occupying areas which, rainfall apart, are in the main the less richly endowed with natural resources.

Apart from this land distribution appearing to be an unjust one, it is also patently unrealistic if the real government intention is to set the African up in his own self-supporting territories rather than perpetuate the reserves.

Writing from London it may perhaps seem an impertinence to suggest in detail how this problem of land distribution should be approached, but at least it can be said that a logical line of demarcation, which would leave on the one side the greater portion of the native population in the Bantu areas while on the other cause minimum inroads on existing economic interests of white South Africans, would be one which included in the homelands the Transkei (i.e., the coastal strip of the eastern Cape Province running north from East London) and the greater part of Natal and Zululand including a common frontier with Basutoland, and which then ran northwards up the coast to connect with Swaziland and continued north to take in much of the eastern and northern Transvaal.

To reduce this very large Bantu area to manageable proportions for government by politically immature people, it would most probably require to be split into three or even more separate states, possibly with corridors of white settlement in between.

#### Financing Partition

Given these new Bantu states, each with a population of several million and a high birth rate, the next essential is not merely that they should be established with constitutions which would point the way towards fairly rapid political maturity and independence, but also that potentially they should be economically self-supporting with the prospect of a progressively rising standard of living. This is where the shoe will really begin to pinch and where the rest of the world may be most inclined to judge the sincerity of the intentions of the Nationalists and indeed of the many supporters of apartheid outside that party.

The Tomlinson report, which visualized a far smaller territorial sacrifice to the Bantu than we have outlined here, estimated that the establishment of Bantustans would cost a minimum of £500,000,000 over the first ten years, while to establish economically viable and politically independent Bantu states would clearly cost infinitely more than this sum even without the substantial payments, which would have to be paid as compensation to existing white landowners and tenants. In contrast, government expenditure on the development of the Bantu homelands during the past four years appears to have been somewhere between £25,000,000 and £50,000,000. Thus, on the most favourable assessment it can be said that the rate of expenditure in recent years has been less than a quarter of the rate envisaged even by the Tomlinson report.

The so-called Perimeter Development Plan, whether in its earlier form of scattered industrial units bordering the homelands or in its more recent form of concentrating industrial development in two or three areas adjacent to the homelands also constitutes an obstacle to convincing the outside observer of the whole-heartedness with which the government is approaching partition. It is true that border industries would provide employment for Africans in the homelands but the benefit to the Bantu states would on this basis be the minimum one of creating a wage-earning class in a pastoral community. All the fiscal and trading benefits which would accrue if these industries were located inside the Bantu states (albeit of course initially financed and owned by South African or foreign capital) are lost under the Perimeter Development Plan. What is the point of this, if the real purpose of perimeter development is to accelerate the economic development of the homelands on a progressively self-sufficient basis?

#### Foreign Aid Would Be Needed

In practice of course the very large sums of money required for such an operation could not be wholly forthcoming from South Africa and there would have to be substantial foreign investment, much of it no doubt in the form of aid funds, for which, as we pointed out at the conclusion of the leading article in our previous issue, it is not perhaps entirely fanciful to hope once the direction in which South African government policy was really moving became more apparent and more reassuring.

There is however no question but that the initial effort and the initial sacrifice will have to come from South Africa herself if she is to convince the rest of the Free World that her government means what it says and is finally committed to a policy of separate but equal opportunity for black and white.

What are the chances of this dynamic manifesting itself and, moreover, of it doing so quickly enough to stand a chance of winning support from the West and thus to be of practical political significance in the broader East-West struggle for Africa?

Secondly, and in the interim, what are the prospects of the Union, while implementing apartheid, being able to weather, not too painfully her present balance of payments difficulties?

On this first question of the time factor, the alarming thing about the government's apartheid policy is that it is still very much in a state of flux.



at least so far as concerns the method of its implementation. The debate among party intellectuals has, of course, been going on right through the summer, but was necessarily muted until after the Referendum. Now the fruits of this rethinking, much of it sparked off by the Sharpeville incident, are beginning to emerge and it would seem that there is a fundamental policy split not only within the Nationalist party hierarchy and in the Nationalist press, but, more recently and still more significantly, also within the Dutch Reformed Churches, which in rural areas perform a quasi-political function not unlike that of the church in many Roman Catholic countries.

Overly the split in the Nationalist party has manifested itself primarily over the parliamentary representation of Cape Coloureds, but in fact the split goes deeper than this and affects the issues which are being raised by important elements in the Dutch Reformed Churches. In effect the argument has developed not on whether there should be partition (this is a matter upon which there is a very wide measure of agreement in the Union), nor upon how partition should be implemented, but rather upon whether and to what extent political integration of the African should be allowed to proceed in white areas. This is obviously a matter of crucial importance in that the success of apartheid depends quite as much on the nature of the new deal for the urban Bantu in white areas as it does on the setting up of the homelands as viable entities.

There is a point beyond which debate can develop into dissent rather than clarification of purpose, and it may well be that this mounting public criticism of government policy within the party and still more significantly within the churches may result in forcing the government's hand to the extent of stating its apartheid policy with much greater precision and accelerating its implementation. If it does not, there seems little hope that the temp of change will come fast enough to influence the wider African upheaval.

#### South Africa's Economic Outlook

Dr. Verwoerd has shown that he is himself under no illusions as to the urgency of plugging the leak in South Africa's foreign exchange reserves which are almost back to the dangerously low levels of mid-1958, having suffered a drop of over 40 per cent in the course of 1960.

This he intends to do by tightening import control and at the same time stimulating domestic manufacturing industries by encouraging the trend towards raising native wages and purchasing power. It is also his intention to help this process directly by capital expenditure on expanding transport facilities, power supplies and state industries and by budget action designed to stimulate industrial investment, probably through continuing or improving the depreciation and investment allowances granted in the last budget.

He hopes, too, that, by stepping up the tempo of industrial activity within the Union, the economic climate will appear more inviting for overseas capital to come inside the ring fence. Nevertheless, foreign capital so far remains largely unconvinced that the present political risk is worth taking. Moreover it seems likely to remain so, until it believes that the Union has embarked on workable racial policies. Here then is further cause

for urgency in clarifying and implementing the Government's programme.

Of the measures announced by Dr. Verwoerd to meet the immediate threat to the foreign exchange position, the only one which seems likely to have any immediate effect is the intensification of import restrictions, which it is thought could result in a further saving next year of £35,000,000. In addition to this, there was the announcement at the end of last year that the I.M.F. had agreed to make available to the Union foreign currency to the amount of South Africa's subscribed gold contribution to the I.M.F. (namely about £13,400,000 of which £4,500,000 was drawn at the year end).

#### Factors in the Balance of Payments

Whether these measures will be sufficient will depend, first on how far South African exports suffer on balance either from boycotts or from the recession which exists in North America (and which could quite conceivably develop in Europe) as against the additional earnings from gold mining in 1961, which, as in 1960, could be up — perhaps by another £15,000,000, even allowing for no gold price rise other than the present small premium.

Secondly, it must depend on how long and how rapidly the outflow of private capital from the Union is to continue. During each of the first three quarters of last year, the outflow of private capital has been running at between £25,000,000 and £30,000,000, and over the first nine months of the year it totalled £81,000,000 in all. The great bulk of this represents the withdrawal of foreign private capital from the Union, but it is significant that in the third quarter, for example, about £9,000,000 out of a total of £29,000,000 of private capital outflow was apparently of South African origin.

Part of this no doubt represents exports for approved foreign purchases or investments, and part reflects the process of South Africa buying up the shares in her own companies from foreign holders. However, considering the large amount of Cape scrip, which has in recent months become available for arbitrage dealings in London, it would appear that there has also been some hot money seeking refuge abroad.

It is thus clear that the government ban on capital exports is as yet by no means complete and indeed so long as South Africa continues to buy up her own shares at the rate at which she has been doing so for the past couple of years, this seems unavoidable. For example, net purchases by Union residents of South African securities from foreign holders is reported at £8,000,000 in the third quarter.

Gold and foreign exchange reserves fell from £157,300,000 at the end of January 1960 to £95,500,000 at the end of September and had fallen further to £84,000,000 by the end of November. However, December has shown a better picture with the reserves up to £91,000,000 by the end of the year, and, despite the I.M.F. drawing, there is little doubt that the rate of repatriation of South African shareholdings has slowed in the fourth quarter.

Whether the outflow of private capital will continue seems likely, in the absence of any gold price rise, to depend largely on foreign sentiment regarding South Africa in particular and Central and Southern Africa in general, and also, in the case of U.S. citizens, on the extent

that they may elect to switch their foreign gold holdings (now to be illegal after June 1) into gold shares.

#### The Gold Price —

The third factor in the balance of payments position is the outlook for gold — a rise in the dollar price of which would in the short term have the probable effect of reversing the outflow of private capital, even though in the longer term foreign profit-taking might well intensify the drain.

It would, of course, increase the foreign exchange value of the Union's gold production, as well as the gold industry's earnings, (and consequently their distribution by way of taxation and dividends), but only to the extent that any devaluation of the dollar triggered off compensatory devaluations of other currencies in general and sterling in particular, or to the extent that there was an agreed rise in the price of gold in relation to all currencies as provided for by the Bretton Woods agreement. The importance of higher profits from gold mining relates, however, less to exchange reserves than to the great effect it would have on easing South Africa's urgent need for new capital, both for industrial development and for establishing the African homelands.

#### — And the Case for Raising It

What in fact are the chances of a gold price rise? To most thinking people, outside perhaps of the United States, the arguments for a higher price seem overwhelming. Quite aside from the fact that U.S. holdings at the end of last year were down to \$17,837,000,000 (a decrease of \$1,619,000,000 on the year), they can see clearly the world-wide lack of liquidity in relation even to the present volume of world trade.

Today, the ratio of monetary gold stocks to the value of world trade is now only about 30 per cent of the pre-war level and, even if we include foreign exchange holdings of all kinds, the value is still only just over 50 per cent. As Sir Roy Harrod pointed out in a recent article in *The Director*, the shortage of gold has until now partly been offset by an expansion in foreign exchange holdings, the main components of which have been drawing rights on the I.M.F., together with sterling and dollar balances.

The I.M.F. had to call for expanded contributions from member countries quite recently, and neither the British nor the Americans are in any position to allow their own sterling and dollar balances in foreign hands to increase further without a corresponding increase in their gold backing. There is thus little prospect of foreign exchange holdings, other perhaps than of the Deutschmark, supplying any additional support to gold stocks, which in the Free World are only being added to by about 34,000,000 ounces of new gold (\$1,200,000,000) per year, plus net Russian exports.

The strangulating influence of what is now a static volume of gold and foreign exchange holdings is bound to have a retarding effect on trade expansion precisely in a period when it is most needed, not only from the point of view of re-stimulating the economics of many of the Western industrialized countries, but still more in providing the huge capital sums for the development, within the orbit of the Free World, of the politically un-

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## FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to December 31, 1960 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (Gold) £(000)	EARNINGS, DIVIDENDS & YIELD							
				Working Profit		Uranium Profit After Loan Repayment		Taxation and/or Mining Lease		Net Profit After Tax			Earned in current year to date	Paid				Yield on Price 2011/61		
				This	Last	This	Last	This	Last	This	Last			1959		1960				
														s. d.	s. d.	s. d.	s. d.		(0/0)	
Gold Fields	Doornfontein	9,828,000 (10/-)	6	1376.6	1137.7	69.2	67.2	180.0	—	1265.8	1205.6	555.0	2 7	1 6	1 6	1 6	1 4.8	9.7		
	Libanon	7,937,300 (10/-)	6	419.8	370.0	—	—	—	—	419.8	372.6	299.4	1 1	3 3	3 3	4 3	4.8	4.5		
	Luipaards Vlei	4,969,105 (2/-)	6	30.8	32.0	361.0	381.0	191.5	237.0	200.3	235.8	Cr. 5.8	10	1 0	1 0	1 0	1 0	22.9		
	Rietfontein C.	1,122,252 (3d.)	12	59.1	91.2	—	—	1.0	37.5	58.1	55.0	2.6	1 0	10*	1 2*	6*	7.2*	0.0		
	Robinson	2,000,000 (5/6)	12	22.4	L114.2	—	—	—	—	22.4	L84.8	Cr. 67.1	—	—	—	—	—	0.0		
	Simmer	6,750,000 (1/6)	12	L38.6	L58.9	—	—	—	—	L38.6	L28.1	Cr. 4.2	—	6*	—	—	—	0.0		
	Sub Nigel	1,771,875 (3d.)	6	92.8	119.9	—	—	2.8	50.4	90.0	83.3	—	1 0	1 6*	1 3*	1 3*	1 3*	0.0		
	Venterspost	4,900,000 (10/-)	6	468.3	364.9	—	—	110.9	105.1	357.4	269.9	150.8	1 6	10 3	10 3	1 0	1 0	8.5		
	Vlakfontein	6,000,000 (10/-)	12	1059.4	1033.9	—	—	499.5	494.1	559.9	543.5	2.7	1 10	11 1	1 0	11 1	1 1.2	11.4		
	Vogels	5,028,571 (3d.)	12	242.7	397.1	356.0	347.0	281.6	350.0	317.1	401.9	4.1	1 3	11*	10*	8*	8.4*	0.0		
W. Drie	14,082,160 (10/-)	6	6533.4	4802.2	142.8	148.8	3285.6	2326.6	3390.6	2625.9	1323.4	4 10	4 3	4 9	2 7 1/2	10.8	5.4			
Anglo American	Brakpan	4,600,000 (3d.)	12	163.6	140.0	—	—	21.4	12.0	142.2	130.2	Cr. 11.4	7	4 1/2*	6*	4 1/2*	6*	0.0		
	Dagga	7,000,000 (5/-)	12	2709.0	2809.0	1127.1	1103.0	2457.7	2447.0	1378.4	1471.8	Cr. 12.5	3 11	2 3	2 3	2 0	2 0	16.7		
	East Dagga	3,730,000 (10/-)	12	501.5	414.4	—	—	204.8	161.0	296.7	255.4	6.0	1 7	7 1/2	7 1/2	7 1/2	9	12.2		
	F.S. Geduld	10,000,000 (5/-)	3	2010.8	1904.2	—	—	—	—	2010.8	1904.2	306.2	4 0	3 6	4 6	3 6	5 0	6.9		
	P. Brand	14,040,000 (5/-)	3	2475.2	2529.0	81.2	91.3	1268.2	1224.0	1288.2	1396.3	366.5	1 10	2 6	3 0	2 6	3 0	8.3		
	P. Steyn	14,040,000 (5/-)	3	519.1	577.9	115.3	110.0	—	—	634.4	687.9	450.2	11	1 3	1 3	1 0	1 0	9.4		
	S.A. Lands	2,475,000 (3/6)	12	561.4	664.9	—	—	8.8	12.0	552.6	655.0	735.2	4 6	1 3	6	6	6	5.1		
	Springs	10,110,000 (3d.)	12	171.6	157.6	—	—	44.5	15.0	127.1	144.6	Cr. 15.7	3	—	6*	—	6*	0.0		
	Vaal Reefs	10,500,000 (5/-)	12	2880.0	2597.0	1417.7	1438.9	—	—	4297.7	4040.3	2398.8	8 2	1 6	2 0	1 6	2 0	7.6		
	Welkom	12,250,000 (5/-)	3	229.7	229.5	110.4	106.7	—	—	340.1	336.2	48.6	7	3	3	3	3	4 1/2	3.1	
W. Holdings	7,496,376 (5/-)	3	2728.7	2174.0	—	—	1502.5	1124.0	1226.2	1050.0	410.3	3 3	3 6	5 0	4 0	5 6	6.0	6.0		
W. Reefs	7,000,000 (5/-)	12	1555.8	1281.5	1258.0	1241.4	1562.1	1443.0	1251.7	1083.6	509.0	3 7	1 3	1 3	1 3	1 3	8.0	8.0		
Central Mining	Blyvoor	24,000,000 (2/6)	6	3977.9	3828.6	646.4	607.8	2583.0	2606.2	2141.0	2081.5	685.3	1 9	1 1	1 2	1 3	1 4	8.2	8.2	
	City Deep	2,026,832 (£1)	12	61.2	105.0	—	—	1.3	13.0	134.3	174.5	28.3	1 4	7 1/2	7 1/2	7 1/2	8.4	5.8	5.8	
	Cons. M.R.	1,247,602 (£1)	6	23.0	44.7	—	—	5.0	4.4	51.0	90.2	—	10	1 6	1 3	1 6	1 6	19.4	19.4	
	Crown	1,886,125 (10/-)	12	70.1	168.3	—	—	32.0	19.6	182.8	290.9	Cr. 62.2	1 11	1 9	2 0	2 0	2 0	13.7	13.7	
	Durban Deep	2,325,000 (10/-)	12	600.2	636.4	—	—	83.4	101.8	578.1	615.2	192.0	5 0	1 6	1 6	1 6	1 6	8.1	8.1	
	E. Rand Prop	3,960,000 (10/-)	12	979.0	1388.5	—	—	7.1	86.5	983.5	1465.9	1540.6	5 0	1 9	1 9	1 9	1 6	7.9	7.9	
	Harmony	18,000,000 (5/-)	6	1904.2	1499.1	1272.9	929.4	—	—	3154.1	2376.3	820.3	3 6	1 1 1/2	1 3	1 3	1 4 1/2	8.3	8.3	
	Modder E.	930,805 (£1)	6	2.2	14.5	—	—	Cr. 0.2	3.6	16.0	29.9	—	4	6	6	6	6	7.7	7.7	
	Rose Deep	700,000 (3d.)	12	14.3	0.6	—	—	3.0	6.7	47.3	46.6	Cr. 3.1	1 4	3 0*	—	3 3*	1 0	14.8	14.8	
	Transvaal G.M.E.	952,500 (3d.)	12	18.4	21.5	—	—	—	—	8.6	12.9	30.5	2	1 0	—	—	—	—	—	—
J.C.I.	E. Champ d'Or	2,079,000 (2/6)	12	79.4	82.6	(a)	(a)	29.5	34.9	52.8	54.6	3.6	6	3	3	3	3	20.0	20.0	
	Freddies Cons.	16,359,913 (£1)	12	L449.5	L448.3	(a)	(a)	—	—	L101.6	L80.0	7.2	—	—	—	—	—	0.0	0.0	
	Govt. G.M.A.	5,600,000 (3d.)	12	8.2	32.3	—	—	53.8	47.9	230.8	252.1	—	10	6*	9*	6*	3*	0.0	0.0	
	Randfontein	4,063,553 (£1)	12	1277.9	1382.9	(a)	(a)	596.0	590.0	681.9	792.9	80.5	3 4	1 9	2 3	1 3	1 9	12.6	12.6	
Union Corporation	E. Geduld	9,000,000 (4/-)	12	2913.0	3322.8	—	—	1531.3	1763.1	1511.4	1681.1	—	3 4	1 9	1 11	1 8	1 10	16.5	16.5	
	Geduld Prop	1,460,857 (£1)	12	311.2	354.0	—	—	116.6	139.4	874.5	898.1	—	12	0	4 9	5 0	3 4	3 7	11.6	11.6
	Grootvlei	11,438,816 (5/-)	12	2825.8	2792.9	—	—	1442.6	1431.9	1436.2	1409.6	—	2 6	1 1	1 5	1 1	1 5	10.8	10.8	
	Marievale	4,500,000 (10/-)	12	1524.1	1372.1	—	—	734.2	640.3	809.3	743.6	—	3 7	1 4	1 7	1 6	1 11	11.7	11.7	
	St. Helena	9,625,000 (10/-)	12	4313.4	3126.9	—	—	54.3	—	4249.1	3098.0	628.9	8 10	1 3	1 9	2 3	2 9	6.2	6.2	
	Van Dyk	5,532,000 (3d.)	12	101.4	321.8	—	—	16.4	—	109.6	340.6	—	5	1 3*	—	1 6*	—	0.0	0.0	
	Winkelhaak	12,000,000 (10/-)	12	1754.1	587.2	—	—	—	—	1709.1	506.7	481.3	2 11	—	—	—	4	1.2	1.2	
General Mining	Buffelsfontein	11,000,000 (10/-)	6	2000.9	1745.8	992.4	988.2	—	—	2993.3	2734.0	1569.6	5 5	1 6	1 9	1 10 1/2	1 9	8.0	8.0	
	Ellaton	787,500 (5/-)	6	138.6	165.6	89.0	95.0	—	—	227.6	260.6	Cr. 0.5	5 9	—	—	—	—	—	—	—
	Stiffontein	13,062,920 (5/-)	12	4768.3	4901.6	654.8	640.1	1772.7	305.0	3650.4	5245.0	2206.4	5 7	1 10 1/2	1 7 1/2	1 6	1 6	8.1	8.1	
	S. Roodepoort	1,420,662 (10/-)	6	141.5	134.7	—	—	58.0	55.0	86.9	86.2	3.0	1 3	1 1 1/2	1 1 1/2	1 1 1/2	1 1 1/2	—	—	
	W. Rand Cons	4,250,000 (10/-)	12	2289.1	2570.4	(a)	(a)	1116.0	1163.0	1260.4	1284.1	15.0	5 11	2 0	2 3	2 0	2 3	20.2	20.2	
Anglo-Tvaal	Hartebeest	9,000,000 (10/-)	6	1901.0	1817.8	1273.2	1398.8	1085.0	1230.0	2149.2	2036.6	1321.8	4 9	3 6	3 0	3 0	2 6	10.2	10.2	
	Loraine	15,363,345 (10/-)	3	L41.9	L57.8	63.4	71.9	—	—	24.3	16.3	397.1	—	—	—	—	—	0.0	0.0	
	Rand Leases	3,600,000 (3d.)	6	27.2	130.0	—	—	4.2	4.5	41.4	143.2	53.1	3	—	1 0*	6*	6*	0.0	0.0	
	Village M.R.	6,068,457 (1/3)	6	L25.5	1.7	—	—	—	—	0.2	L23.9	3.5	18.6	—	—	—	—	—	—	—
	Virginia	13,278,952 (5/-)	12	L154.6	118.9	1235.4	1262.3	—	—	932.3	1206.0	134.0	1 5	—	—	—	—	0.0	0.0	
Others	N. Klein	1,735,000 (£1)	12	11.1	34.1	—	—	—	—	11.1	35.6	—	—	—	—	—	—	0.0	0.0	
	Spaarwater	7,974,968 (5/-)	12	8.7	7.6	—	—	—	—	8.7	8.2	—	—	—	—	—	—	—	—	—
	Wit Nigel	7,974,720 (2/6)	6	27.9	26.8	—	—	—	—	32.0	31.1	1.7	1	—	1 1/2	—	1 1/2	10.0	10.0	

(a) Included under working profit. (b) And deferred shares. † After deferred shares participation. \* Capital Repayment.



## DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to December 31, 1960 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS										MILL THROUGHPUT									
						Payability					Tonnage					Gold Recovered					Working Profit				
			Tons (000)	Value (dwt.)	Inch.	Fr. Sampled (000)		%		Av. Value (In.-dwt.)		Milled (000)		Cost per Ton		Ounces (000)		Grade (dwt.perton)		Cost per ounce		Per ton		Per oz.	
						This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last
Gold Fields	D'fontein	6	3,004	7.6	313	9.8	15.5	93	91	571	516	630	567	60/2	61/8	259.1	230.5	8.2	8.1	146/3	151/8	43/8	40/2	106/3	98/9
	Litaban	6	2,572	5.0	246	19.2	9.1	75	71	309	337	700	663	48/6	47/8	167.7	155.7	4.8	4.7	202/6	202/10	12/-	11/2	50/1	47/6
	Lupaards Vlei	6	1,363	4.5	176	4.2	5.2	55	57	246	247	405	428	42/11	42/9	71.1	75.6	3.5	3.5	244/1	242/1	1/6	1/6	8/8	8/6
	Reitfontein C.	12	101	5.7	321	5.1	6.0	31	43	380	377	184	192	58/7	56/10	47.4	50.9	5.2	5.3	226/8	214/4	6/5	9/6	24/11	35/10
	Robinson	12	360	5.2	282	2.2	2.7	65	52	327	347	538	685	55/1	54/8	119.6	140.8	4.4	4.1	247/8	266/2	10d.	L3/4	3/9	L16/3
	Simmer	12	362	4.5	196	10.6	25.5	29	34	276	265	899	1,006	45/7	49/-	160.0	192.3	3.6	3.8	256/4	256/2	L10d.	L1/2	L4/10	L6/2
	Sub Nigel	6	536	8.0	308	7.4	11.1	21	28	386	368	397	396	53/-	53/1	90.6	93.7	4.6	4.7	232/-	224/8	4/8	6/1	20/6	25/7
	Venterspost	6	2,190	6.3	346	14.5	23.1	62	49	417	461	732	755	58/-	53/8	205.2	191.0	5.6	5.1	207/2	212/3	12/10	9/8	45/8	38/3
	Vlakfontein	12	1,698	7.9	327	32.9	34.3	42	42	365	383	617	610	56/2	55/8	222.3	218.6	7.2	7.2	156/-	155/2	34/4	33/11	95/4	94/7
	Vogels	12	1,379	4.8	201	32.4	30.0	26	29	300	251	1,020	1,091	49/4	48/6	218.7	242.7	4.3	4.4	230/2	217/10	4/9	7/3	22/2	32/9
W. Drie	6	3,319	15.7	661	8.9	10.8	87	90	651	795	780	625	68/6	75/8	728.5	571.9	18.7	18.3	73/4	82/8	167/6	153/8	179/4	167/11	
Anglo American	Brakpan	12	1,340	4.9	274	18.6	16.7	18	19	683	841	1,720	1,672	28/7	28/7	208.8	202.7	2.4	2.4	235/8	236/-	1/11	1/8	15/8	13/10
	Dagga	12	7,576	5.1	222	29.0	25.7	42	42	397	350	2,743	2,850	31/1	30/8	554.7	573.6	4.0	4.0	153/8	152/4	19/9	19/9	97/8	97/11
	East Dagga	12	4,733	4.6	169	18.3	21.0	27	30	313	347	1,270	1,210	34/10	35/-	215.9	202.8	3.4	3.4	204/10	208/6	7/11	6/10	46/5	40/10
	F.S. Geduld	3	3,023	21.4	939	2.7	2.4	94	95	1,297	1,154	283	280	78/2	77/1	245.4	238.6	17.3	17.0	90/4	90/7	141/10	135/9	163/10	159/7
	P. Brand	3	4,174	18.0	972	2.4	2.3	81	86	705	970	352	347	62/1	60/5	280.7	285.8	16.0	16.5	77/11	73/4	140/8	145/9	176/4	177/-
	P. Steyn	3	5,177	8.0	367	2.4	4.1	93	80	391	414	318	307	62/5	61/5	118.6	121.7	7.5	7.9	167/5	155/1	32/8	37/8	187/6	95/-
	S.A. Lands	12	3,344	6.1	273	32.4	24.6	36	37	478	448	1,174	1,152	42/7	40/7	243.9	240.6	4.2	4.2	205/1	194/4	9/7	11/7	46/-	55/3
	Springs	12	615	4.0	173	17.9	11.2	30	32	364	388	1,194	1,247	31/11	31/8	165.5	170.9	2.8	2.7	230/4	231/4	2/11	2/6	20/9	18/5
	Vaal Reefs	12	3,325	9.9	394	32.0	32.9	78	82	647	577	1,194	1,088	65/11	64/11	542.4	490.9	9.1	9.0	145/1	143/11	48/3	47/9	106/2	105/10
	Welkom	3	4,158	7.6	322	5.0	3.6	74	84	485	469	294	291	65/3	63/6	93.6	92.1	6.4	6.3	204/11	200/6	15/7	15/9	49/1	49/10
	W. Holdings	3	5,180	16.8	786	4.2	4.5	87	86	1,204	1,045	467	414	56/-	57/9	317.8	269.3	13.6	13.0	82/4	88/9	116/10	105/-	171/9	161/5
	W. Reefs	12	6,060	6.6	326	38.6	48.5	60	54	614	607	1,664	1,584	52/6	49/10	471.5	418.0	5.7	5.3	185/4	188/9	18/9	16/2	66/-	61/4
Central Mining	Blyvoor	6	6,103	14.0	602	7.2	8.1	83	73	595	519	802	770	64/8	64/9	520.6	504.9	13.0	13.1	99/8	98/8	99/2	99/5	152/10	151/8
	City Deep	12	3,151	5.9	236	15.5	19.8	35	34	375	330	1,377	1,353	50/7	50/7	281.8	282.2	4.1	4.2	247/1	242/5	11d.	1/7	4/4	7/5
	Cons. M.R.	6	4,410	7.5	297	0.9	4.7	27	11	414	392	319	560	51/8	45/7	67.2	105.6	4.2	3.8	245/3	241/10	1/5	1/7	6/10	8/6
	Crown	12	4,342	5.2	238	27.7	20.0	25	22	334	314	2,363	2,626	42/4	38/8	403.6	419.8	3.4	3.2	248/-	241/11	7d.	1/3	3/6	8/-
	Durban Deep	12	7,794	4.1	235	48.6	44.6	55	54	346	329	2,299	2,296	40/10	40/7	420.6	423.6	3.7	3.7	223/-	220/2	5/3	5/7	28/6	30/1
	E. Rand Prop	12	5,451	5.9	293	14.4	12.5	33	38	453	434	2,662	2,625	53/3	54/7	642.1	684.7	4.8	5.2	220/10	209/5	7/4	10/7	30/6	40/7
	Harmony	6	5,030	8.5	433	4.8	8.2	92	68	526	479	1,005	843	64/2	63/11	406.2	334.8	8.1	7.9	158/9	160/11	37/11	35/7	93/9	89/7
	Modder E.	6	408	3.9	158	0.8	2.2	38	32	265	169	694	818	25/3	24/2	69.4	80.2	2.0	2.0	252/4	246/10	1d.	4d.	8d.	3/7
	Rose Deep	12	132	6.8	303	—	—	—	—	—	—	293	434	43/3	35/7	51.5	61.7	3.5	2.8	246/-	250/7	1/-	3d.	5/7	1/11
	T'vaal G.M.E.	12	102	12.5	—	4.6	5.6	17	32	403	311	83	84	77/-	69/9	23.0	22.9	5.5	5.5	277/6	255/11	4/5	5/1	16/-	18/9
J.C.L.	E. Ch'p'd'Or	12	84	0.8	23	7.1	7.1	31	30	40	36	147	144	52/4	51/10	3.8	3.6	0.5	0.5	—	—	12/11	13/8	—	—
	Freddies	12	800	5.3	212	5.9	5.7	56	65	337	383	726	708	68/10	74/-	159.3	169.9	4.4	4.8	313/9	308/3	L12/5	L12/8	L56/5	L52/9
	Govt. G.M.A.	12	152	6.2	446	—	0.1	—	62	—	230	632	635	52/3	52/6	106.7	113.5	3.4	3.6	309/9	293/8	3d.	1/-	1/6	5/8
	Randfontein	12	100	4.9	230	1.7	0.6	67	67	351	315	260	415	47/1	39/4	49.7	72.0	3.8	3.5	—	—	2/2	4/7	—	—
Union Corporation	E. Geduld	12	6,100	5.8	313	2.8	3.2	39	47	179	174	1,564	1,653	36/2	34/6	456.8	493.9	5.8	6.0	123/10	115/4	37/3	40/2	127/6	134/7
	Geduld Prop.	12	350	3.7	211	4.4	7.0	36	46	260	391	906	879	36/9	39/3	156.5	165.8	3.5	3.8	212/11	207/11	6/10	8/1	39/9	42/8
	Grootvlei	12	11,500	4.4	216	20.6	20.5	56	56	257	300	2,625	2,555	30/8	30/9	545.2	538.3	4.2	4.2	147/10	146/1	21/6	21/10	103/8	103/9
	Marievale	12	5,500	5.1	240	15.4	19.4	40	37	298	222	1,179	1,135	35/9	37/1	288.8	278.0	4.9	4.9	145/10	151/3	25/10	24/2	105/7	98/9
	St. Helena	12	5,000	8.0	448	28.8	21.8	57	58	703	767	2,004	1,810	42/11	42/7	684.9	558.4	6.8	6.2	125/7	138/-	43/1	34/7	125/11	112/-
	Van Dyk	12	225	3.9	195	6.1	10.7	49	26	270	299	885	891	38/5	39/7	143.4	166.8	3.2	3.7	237/2	211/5	2/3	7/3	14/2	38/7
	Winkelhaak	12	2,700	7.2	432	23.6	24.0	88	79	535	518	1,065	908	48/7	51/11	344.7	235.1	6.5	5.2	150/1	200/6	32/11	12/11	101/9	49/11
General Mining	Buffelsfontein	6	4,275	9.3	543	12.9	9.2	92	88	658	636	883	867	58/8	55/7	363.8	331.9	8.2	7.7	142/5	145/1	45/4	40/3	110/-	105/2
	Ellaton	6	153	8.3	349	0.6	1.0	50	50	435	389	164	183	42/10	39/9	38.9	42.3	4.7	4.6	180/7	172/-	16/11	18/1	71/3	78/4
	Stillfontein	12	5,245	9.7	396	22.3	28.4	83	72	440	346	1,958	1,754	65/1	62/7	885.6	830.9	9.0	9.5	143/10	132/1	48/8	55/11	107/8	118/-
	S. Rooipoort	6	1,105	4.7	221	4.4	4.7	43	40	275	238	181	180	45/6	44/10	43.5	42.9	4.8	4.8	189/2	188/2	15/8	15/-	65/1	62/10
	W. Rand Cons.	12	4,579	3.4	166	22.4	23.7	72	65	342	293	1,583	1,639	36/6	35/1	234.1	258.3	3.0	2.0	—	—	1/4	1/8	—	—
Anglo-T'vaal	Hartebeest	6	3,048	8.9	337	26.9	17.2	83	85	426	397	727	577	65/2	65/4	338.5	295.9	9.3	10.3	139/11	127/5	52/4	63/-	112/4	122/10
	Lorraine	3	1,234	6.9	313	3.0	2.9	64	58	897	590														

# UNION CORPORATION GROUP

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa  
for Quarter ended 31st December, 1960

London Office: Princes House, 95 Gresham Street, London, E.C.2

## ST. HELENA GOLD MINES, LTD.

Issued Capital: £4,812,500 in shares of 10s. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled.....	528,000	524,000
Gold produced (in oz. fine).....	183,492	180,844
Yield per ton milled (dwt.).....	6.95	6.90
Cost per ton milled.....	43s. 0d.	42s. 10d.
Profit per ton milled.....	45s. 5d.	43s. 6d.
Working revenue.....	£2,334,331	£2,263,050
Working costs.....	1,136,052	1,122,062
Working profit.....	1,198,279	1,140,988
Sundry revenue/expenditure.....	1,584	1,639
<b>TOTAL PROFIT</b> .....	<b>£1,199,863</b>	<b>£1,142,627</b>

(Subject to taxation and Government's share)

Estimated taxation and Government's share of profit	£54,300	Nil
Capital expenditure	£128,875	£94,511
<b>DEVELOPMENT:</b>	<b>Basal Reef</b>	<b>Basal Reef</b>
Footage driven.....	22,329	21,868
Footage sampled.....	9,820	8,405
Footage payable.....	5,865	4,955
Percentage payable.....	60	59
Average value—dwt.....	14.5	17.9
Width—inches.....	44	43
Inch/dwt.....	639	770

The following station cutting was accomplished during the quarter:—  
No. 2 Shaft—90 feet.

### SURFACE DIAMOND DRILLING:

Two surface boreholes were drilled during the quarter, S.H.21 sited approximately 5,500 feet east of No. 4 Shaft and P.8 sited approximately 12,500 feet south-south-east of No. 4 Shaft.

Borehole S.H.21 intersected the Leader and Basal Reefs in the original intersection and a deflection with the following results:—

Intersection	Depth feet	Value dwt.	Width ins.	Inch/dwt.	Core Recovery
Basal Reef					
Original.....	3,854	9.32	51.7	482	*
1st Deflection.....	3,847	5.04	53.0	267	*
Leader Reef					
Original.....	3,807	7.70	11.7	90	†
1st Deflection.....	3,807	6.24	13.3	83	†

The following were the results in Borehole P.8:—

Intersection	Depth feet	Value dwt.	Width ins.	Inch/dwt.	Remarks
Basal Reef					
Original.....	3,015	0.8	12.6	10	†
1st Deflection.....	3,017	4.6	7.7	32	†
2nd Deflection Basal Reef faulted out.					
Leader Reef					
Original.....	3,006	3.57	12.9	46	*
1st Deflection.....	3,008	3.70	15.4	57	*
2nd Deflection.....	3,006	2.65	9.8	26	‡

\* Complete. † Complete, but incomplete reef due to faulting. ‡ Incomplete.

### ORE RESERVE at 31st Dec., 1960:—

Tonnage.....	5,000,000
Value—dwt.....	8.0
Estimated stopping width—ins.....	56

## EAST GEDULD MINES, LTD.

Issued Capital: £1,800,000 stock in units of 4s. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled.....	374,000	392,000
Gold produced (in oz. fine).....	108,470	113,375
Yield per ton milled (dwt.).....	5.80	5.78
Cost per ton milled.....	37s. 2d.	36s. 6d.
Profit per ton milled.....	36s. 9d.	35s. 11d.
Working revenue.....	£1,382,160	£1,418,886
Working costs.....	694,888	715,040
Working profit.....	687,272	703,846
Sundry revenue/expenditure.....	*57,642	15,030
<b>TOTAL PROFIT</b> .....	<b>£744,914</b>	<b>£718,876</b>

(Subject to taxation and Government's share)

Estimated taxation and Government's share of profit	£363,300	£365,200
Capital expenditure	Nil	Nil
<b>DEVELOPMENT:</b>	<b>Kimberley Reef</b>	<b>Kimberley Reef</b>
Footage driven.....	964	1,310
Footage sampled.....	730	1,020
Footage payable.....	410	495
Percentage payable.....	56	49
Average value—dwt.....	16.6	16.5
Width—inches.....	12	11
Inch/dwt.....	199	182

### ORE RESERVE at 31st Dec., 1960:—

Tonnage.....	6,100,000
Value—dwt.....	5.8
Estimated stopping width—ins.....	54

\* Including Dividends

## GEDULD PROPRIETARY MINES, LTD.

Issued Capital: £1,460,857 in shares of £1 each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled.....	234,000	233,000
Gold produced (in oz. fine).....	39,436	38,210
Yield per ton milled (dwt.).....	3.37	3.28
Cost per ton milled.....	34s. 11d.	35s. 5d.
Profit per ton milled.....	8s. 4d.	5s. 11d.
Working revenue.....	£506,344	£481,173
Working costs.....	408,940	412,537
Working profit.....	97,404	68,636
Sundry revenue/expenditure.....	*345,472	16,975
<b>TOTAL PROFIT</b> .....	<b>£442,876</b>	<b>£85,611</b>

(Subject to taxation)

Estimated taxation	£39,100	£24,700
Capital expenditure	Nil	Nil
<b>DEVELOPMENT:</b>	<b>Black Reef</b>	<b>Black Reef</b>
Footage driven.....	1,672	1,469
Footage sampled.....	1,280	1,220
Footage payable.....	350	460
Percentage payable.....	27	38
Average value—dwt.....	4.0	4.3
Width—inches.....	54	54
Inch/dwt.....	215	230

### ORE RESERVE at 31st Dec., 1960:—

Tonnage.....	350,000
Value—dwt.....	3.7
Estimated stopping width—ins.....	57

\* Including Dividends.

## LESLIE GOLD MINES, LTD.

Issued Capital: 16,000,000 shares of 10s. each

### NO. 1A SHAFT

During the quarter the shaft was sunk 452 ft. to its final depth of 2,055 ft. In addition 977 ft. of station cutting was done and installation of the permanent equipment was commenced. It is anticipated that underground development will be initiated shortly.

### NO. 1 SHAFT

This shaft was sunk 830 ft. during the quarter to a total depth of 1,602 ft. and 577 ft. of station cutting was carried out.

The reef was intersected at 1,487 ft. below the collar and sampling around the whole perimeter gave 16.5 dwt. over 13.6 ins. equivalent to 224 inch/dwt.

### REDUCTION WORKS

A start was made on the erection of the reduction plant which will have an initial milling capacity of 75,000 tons per month.

### GENERAL

Good progress is being maintained in the provision of surface facilities. An additional 40 drill compressor has been commissioned and work on the installation of a 200 drill rotary compressor is in progress.

The first portion of the native compound has been completed and occupied.

### EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to £694,591.

## THE GROOTVLEI PROPRIETARY MINES, LTD.

Issued Capital: £2,859,704 stock in units of 5s. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled.....	670,000	669,000
Gold produced (in oz. fine).....	138,691	138,599
Yield per ton milled (dwt.).....	4.14	4.14
Cost per ton milled.....	30s. 5d.	30s. 5d.
Profit per ton milled.....	22s. 4d.	21s. 5d.
Working revenue.....	£1,767,397	£1,733,636
Working costs.....	1,020,063	1,017,603
Working profit.....	747,334	716,033
Sundry revenue/expenditure.....	17,362	12,737
<b>TOTAL PROFIT</b> .....	<b>£764,696</b>	<b>£728,770</b>

(Subject to taxation and Government's share)

Estimated taxation and Government's share of profit	£378,000	£364,800
Capital expenditure	Nil	Nil
<b>DEVELOPMENT:</b>	<b>Main Reef</b>	<b>Kimberley Reef</b>
Footage driven.....	4,634	2,814
Footage sampled.....	3,940	1,200
Footage payable.....	2,695	330
Percentage payable.....	68	28
Average value—dwt.....	16.5	49.4
Width—inches.....	16	5
Inch/dwt.....	264	247

### ORE RESERVE at 31st Dec., 1960:—

Tonnage.....	11,500,000
Value—dwt.....	4.4
Estimated stopping width—ins.....	49



**WINKELHAAK MINES, LTD.**

Issued Capital: £6,000,000 in shares of 10s. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled	282,000	283,000
Gold produced (in oz. fine)	95,664	93,401
Yield per ton milled (dwt.)	6.78	6.60
Cost per ton milled	47s. 8d.	47s. 5d.
Profit per ton milled	38s. 9d.	35s. 4d.
Working revenue	£1,218,797	£1,170,995
Working costs	672,903	671,329
Working profit	545,894	499,666
Sundry revenue/expenditure	11,223	9,856
<b>TOTAL PROFIT</b>	<b>£534,671</b>	<b>£489,810</b>

(Subject to taxation and Government's share)  
Estimated taxation and Government's share of profit  
Capital expenditure

Nil  
£119,613  
Kimberley Reef

**DEVELOPMENT**

Footage driven	14,392	14,141
Footage sampled	4,505	6,160
Footage payable	3,685	5,590
Percentage payable	82	91
Average value—dwt.	14.2	13.2
Width—inches	35	37
Inch/dwt.	498	489

**No. 2 SHAFT:**

Pre-cementation in the shaft area continues and a second surface borehole is being drilled to help with this work. Preliminary sinking of the shaft has commenced and at the end of the quarter a depth of 45 feet had been reached. Good progress has been made with the foundations for the winding engines and the winding engine house. The change-house and shaft offices are under construction.

**SURFACE DRILLING:**

Another Borehole, W.S. 36, has been drilled from surface to obtain further information regarding the northern section of the mine. This borehole, sited approximately 8,000 feet N.N.W. of No. 2 Shaft, intersected the reef in the original hole and two deflections at an average depth of 4,410 feet with the following results:

Intersection	Value dwt.	Width ins.	Inch/dwt.	Core Recovery
Original	6.79	14.0	95	Complete
1st Deflection	8.84	13.8	122	Incomplete
2nd Deflection	8.19	13.8	113	Complete

**ORE RESERVE at 31st Dec., 1960:—**

Tonnage	2,700,000
Value—dwt.	7.2
Estimated stoping width—inches	60

**VAN DYK CONSOLIDATED MINES, LTD.**

Issued Capital: £69,150 in shares of 3d. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled	222,000	228,000
Gold produced (in oz. fine)	34,271	36,163
Yield per ton milled (dwt.)	3.09	3.17
Cost per ton milled	37s. 3d.	37s. 9d.
Profit per ton milled	2s. 0d.	1s. 11d.
Working revenue	£435,825	£452,535
Working costs	413,629	430,474
Working profit	22,196	22,061
Sundry revenue/expenditure	9,460	3,282
<b>TOTAL PROFIT</b>	<b>£31,656</b>	<b>£25,343</b>

(Subject to taxation and Government's share)  
Estimated taxation and Government's share of profit  
Capital expenditure

£1,800  
Nil  
No. 5 Shaft Area\* Main Reef

**DEVELOPMENT:**

Footage driven	377	201	805	375
Footage sampled	450	265	850	350
Footage payable	295	185	535	210
Percentage payable	66	70	63	60
Average value—dwt.	10.2	14.3	12.7	14.4
Width—inches	22	19	26	33
Inch/dwt.	225	272	331	476

\* Included in Main Reef.

**ORE RESERVE at 31st Dec., 1960:—**

Tonnage	225,000
Value—dwt.	3.9
Estimated stoping width—inches	50

All development values have been discounted to conform with adjustments which are necessary in estimating the ore reserve.

**MARIEVALE CONSOLIDATED MINES, LTD.**

Issued Capital: £2,250,000 in shares of 10s. each

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS:</b>		
Tons milled	290,000	298,000
Gold produced (in oz. fine)	71,295	72,833
Yield per ton milled (dwt.)	4.92	4.89
Cost per ton milled	35s. 9d.	35s. 5d.
Profit per ton milled	26s. 9d.	25s. 9d.
Working revenue	£906,291	£911,863
Working costs	518,331	527,677
Working profit	387,960	384,186
Sundry revenue/expenditure	7,023	4,524
<b>TOTAL PROFIT</b>	<b>£394,983</b>	<b>£388,710</b>

(Subject to taxation and Government's share)  
Estimated taxation and Government's share of profit  
Capital expenditure

£172,400  
Nil  
Main Reef Kimberley Reef

**DEVELOPMENT:**

Footage driven	1,786	3,106	1,518	3,311
Footage sampled	1,540	2,200	1,285	2,740
Footage payable	450	1,040	395	1,165
Percentage payable	29	47	31	43
Average value—dwt.	17.4	18.1	19.7	23.4
Width—inches	12	18	11	16
Inch/dwt.	209	326	217	375

**ORE RESERVE at 31st Dec., 1960:—**

Tonnage	4,000,000
Value—dwt.	1,500,000
Estimated stoping width—inches	5.2
	4.8
	47
	48

**BRACKEN MINES, LTD.**

Issued Capital: 14,000,000 shares of 10s. each

**NO. 1A SHAFT**

During the quarter the shaft was sunk 451 ft. to its final depth of 2,642 ft. In addition, 1,243 ft. of station cutting was done and installation of the permanent equipment commenced. It is anticipated that underground development will be initiated shortly.

**NO. 1 SHAFT**

The shaft was sunk 974 ft. to a depth of 2,188 ft. and in addition 762 ft. of station cutting has been carried out. Since the end of the quarter the reef has been intersected in the shaft at a depth of 2,363 ft. below the collar. Sampling around the whole perimeter gave 22.7 dwt. over 23 inches, equivalent to 521 inch/dwt.

**REDUCTION WORKS**

A start was made on the erection of the reduction plant which will have an initial milling capacity of 75,000 tons per month.

**GENERAL**

Good progress is being maintained in the provision of surface facilities. A fourth compressor, giving a total of 205 drills, has been commissioned and work is in progress on the installation of a 200-drill rotary compressor.

**SURFACE DRILLING**

Two boreholes were drilled during the quarter for structural purposes Borehole B.S.3 sited 1,100 ft. south-west of No. 1 Shaft failed to intersect reef due to faulting in both the original intersection and the deflection.

Borehole B.S.4 sited 2,300 ft. west of Borehole B.S.3 intersected the reef at a depth of 1,699 ft. with the following results:—

Intersection	Value dwt.	Width ins.	Inch/dwt.	Core Recovery
Original	6.36	13.2	84	Complete, but incomplete reef due to faulting.
1st Deflection	8.03	12.2	98	Incomplete, and incomplete reef due to faulting.

2nd Deflection ..... Reef faulted out

**EXPENDITURE**

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to £446,881.

**INVESTORS IN MINING**

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# ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO. LIMITED

(Incorporated in the Union of South Africa)

Operating Statistics and Vital Information extracted from the Directors' Reports for Mining Companies associated with the Group for the quarter ended 31st December, 1960, and comparative figures for previous quarter.

(All Companies mentioned are incorporated in the Union of South Africa)

## HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED.

		Quarter ended 31st Dec., 1960		Quarter ended 30th Sept., 1960	
<b>PRODUCTION</b>					
Gold:	Tons milled .....	367,000		360,000	
	Yield—ounces fine .....	170,781		167,698	
	—dwt. per ton milled .....	9.307		9.317	
Uranium:	Tons treated:				
	From current slimes .....	367,000		360,000	
	From surface accumulations .....	7,000		15,000	
	Total .....	374,000		375,000	
	Yield—lb. of uranium oxide .....	252,791		268,373	
	—lb. per ton treated .....	0.676		0.716	
	Uranium oxide sold—lb. ....	259,169		259,190	
<b>FINANCIAL INFORMATION</b>		Per ton milled		Per ton milled	
Gold:					
	Revenue .....	£2,170,781	118s. 4d.	£2,098,484	116s. 7d.
	Working costs .....	1,198,330	65s. 4d.	1,170,000	65s. 0d.
	Working profit .....	972,451	53s. 0d.	928,484	51s. 7d.
	Sundry mining revenue .....	30,000	1s. 8d.	30,000	1s. 8d.
	Total working profit from gold ..	£1,002,451	54s. 8d.	£958,484	53s. 3d.
Uranium:		Per lb. sold		Per lb. sold	
	Revenue .....	£988,174	76s. 3d.	£992,459	76s. 7d.
	Treatment costs .....	268,174	20s. 8d.	265,459	20s. 6d.
	Estimated profit from uranium oxide .....	£720,000	55s. 7d.	£727,000	56s. 1d.
	Total Working Profit for Quarter ..	£1,722,451		£1,685,484	
	Working costs (gold only) per ounce fine .....	140s. 4d.		139s. 6d.	
	Development expenditure per ton milled included in working costs .....	7s. 7d.		8s. 1d.	
NOTE: All information relating to uranium production is provisional and subject to adjustment.					
The following amounts have not been taken into consideration in calculating the working profit shown above:—					
(a)	Loans obtained for gold production:				
	—Interest .....	£20,580		£14,920	
	—Loan repayment .....	410,615		164	
(b)	Loans obtained for uranium production:				
	—Interest .....	£18,897		£19,561	
	—Loan repayment .....	68,029		67,365	
<b>CAPITAL EXPENDITURE</b>					
	Gold production (including £52.875 on capital and excess development) .....	£696,773		£625,049	
	Uranium plant .....	24,557		34,279	
	Total .....	£721,330		£659,328	

Estimated Taxation and Government's Share of Profits for the half year ended 31st December, 1960 £1,085,000

### DIVIDEND

A dividend (No. 10) of 25 per cent (2. 6d. or 25 cents per share) was declared payable to shareholders registered at 31st December, 1960.

### DEVELOPMENT

Footage advanced	28,172		33,447	
Sampling results of development on Vaal Reef:				
No. 1 Shaft Area:		Payable	Total	Payable
Footage sampled	3,105	2,690	3,380	2,905
		(86.6%)		(85.9%)
Channel width (inches)	20.6	21.0	18.3	18.3
Inch-dwt. (gold)	355	392	314	347
Inch-lb. (uranium oxide)	34.94	37.96	34.13	36.70
No. 2A and No. 3 Shaft Area:				
Footage sampled	9,120	7,460	11,355	9,130
		(81.8%)		(80.4%)
Channel width (inches)	14.7	15.1	10.6	10.9
Inch-dwt. (gold)	380	444	380	446
Inch-lb. (uranium oxide)	23.63	25.79	23.03	25.17
Total Mine:				
Footage sampled	12,225	10,150	14,735	12,035
		(83.0%)		(81.7%)
Channel width (inches)	16.2	16.7	12.3	12.7
Inch-dwt. (gold)	374	430	365	423
Inch-lb. (uranium oxide)	26.50	29.02	25.58	27.96

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

### SHAFT SINKING AND EQUIPPING

<b>No. 4 Vertical Shaft:</b>			
Footage sunk	2,840 feet		639 feet
Depth below collar	3,639 feet		799 feet
Concrete lining accomplished	2,840 feet		611 feet
Depth of concrete lining below collar	3,609 feet		769 feet

A total of 9,000 cubic feet was excavated in cable-jointing stations.

### URANIUM OXIDE SALES

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

### GENERAL

#### Surface Boreholes:

The second deflection from borehole HB 25 has reached a depth of 7,483 feet and is in hanging-wall quartzites of the Vaal reef.

## EASTERN TRANSVAAL CONSOLIDATED MINES, LIMITED.

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>PRODUCTION</b>		
Tons milled	58,600	57,700
Yield—ounces fine	17,799	18,399
—dwt. per ton milled	6.075	6.377
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	£227,027	£231,208
Working costs	193,810	198,150
Working profit	33,217	33,058
Sundry mining revenue	9,791	9,272
Total Working Profit for Quarter	£43,008	£42,330
Capital Expenditure	£15,003	£11,071
<b>DEVELOPMENT</b>		
Footage advanced	9,242	9,935
<b>SHAFT SINKING AND EQUIPPING</b>		
New Consort Gold Mine:		
Prince Consort Shaft:		
Footage sunk	153 feet	11 feet
Depth below 33 level	438 feet	285 feet
<b>GENERAL</b>		
Agnes Mine		

Reconditioning of the old Woodbine shaft is continuing. Erection of a steel headgear, a hoist chamber and a winder is proceeding.

At the old Golden Hill Mine in the Agnes area a total of 383 feet of development has been accomplished in an adit to afford access to and prospecting of the old workings of the mine.

## VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED.

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>PRODUCTION</b>		
Tons milled (including 13,630 tons from accumulated slimes)	87,500	89,500
Yield—ounces fine	12,281	13,046
—dwt. per ton milled	2.807	2.915
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	£156,097	£163,297
Working costs	168,750	176,083
Working loss	12,653	12,786
Sundry mining revenue	900	700
Net Working Loss for Quarter	£11,753	£12,086
Working costs per ounce fine	274s. 10d.	269s. 11d.
Development expenditure per ton milled included in working costs	2s. 9d.	1s. 9d.
Capital Expenditure	£18,591	
<b>Estimated Taxation for the half-year ended 31st December, 1960</b>		
	Nil	Nil
<b>DEVELOPMENT</b>		
Footage advanced	4,187	2,225
Reconditioning footage	2,140	4,164
<b>GENERAL</b>		
Tributing agreement:		

Agreement has been reached with Robinson Deep Limited, whereby Village Main will mine above 10 Level in the Turf Section of Robinson Deep under tribute. Robinson Deep will receive a royalty calculated on the basis of one-third of the working profits earned as a result of Village Main mining in the area. Work has commenced in the area and capital expenditure is being incurred.



## VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY LIMITED.

		Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>PRODUCTION</b>			
Gold: Tons milled		399,000	321,000
Yield—ozes fine		85,724	67,577
—dwt. per ton milled		4.297	4.210
Uranium: Tons treated		429,000	321,000
Yield—lb. of uranium oxide		161,880	130,239
—lb. per ton treated		0.377	0.406
Uranium oxide sold—lb.		164,890	157,990
<b>FINANCIAL INFORMATION</b>			
Gold:		Per ton milled	Per ton milled
Revenue	£1,089,899	54s. 8d.	£846,431 52s. 9d.
Working costs	1,108,629	55s. 7d.	1,007,872 62s. 10d.
Working loss	18,730	11d.	161,441 10s. 1d.
Sundry mining revenue	21,173	1s. 0d.	19,500 1s. 3d.
Total working profit from gold	£2,443	1d.	*£141,941 *8s. 10d.
* Working Loss			
Uranium oxide:		Per lb. sold	Per lb. sold
Revenue	£702,751	85s. 3d.	£658,720 83s. 5d.
Treatment costs	253,751	30s. 9d.	238,720 30s. 3d.
Estimated profit from uranium oxide	£449,000	54s. 6d.	£420,000 53s. 2d.
Estimated profit from acid	£92,166		£90,848
Total Working Profit for Quarter	£543,609		£368,907
Working costs (gold only) per ounce fine	258s. 8d.		298s. 3d.
Development expenditure per ton milled included in working costs	5s. 2d.		4s. 9d.
NOTE: All information relating to uranium production is provisional and subject to adjustment.			
The following amounts have not been taken into consideration in calculating the working profit shown above:—			
(a) Debiture and Loan Stocks, Housing and other loans—Interest	£54,566		£53,468
(b) Loans obtained for Acid and Uranium production—Interest	£38,875		£40,639
—Loan Repayment	£180,844		£179,080

## CAPITAL EXPENDITURE

Gold production	£23,581	£19,309
Uranium and acid plants	13,165	24,999
Total	£36,746	£44,308

## Taxation and Government's share of profits for the year ended 31st December, 1960

Nil Nil

## DEVELOPMENT

Footage advanced 16,510 14,425

This includes 3,969 feet of development advanced in the Merriespruit property; Sampling results of development on Basal and Leader Reefs:—

	Total	Payable	Total	Payable
Footage sampled	7,845	2,055 (26.2%)	4,630	1,035 (22.4%)

Channel width (inches) 28.2 29.2 35.9 30.5

Inch-dwt. (gold) 125 266 138 303

Inch-lb. (uranium oxide) 10.77 22.14 13.39 30.74

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve)

## ORE RESERVE

The Ore Reserve fully developed as at 31st December, 1960, was estimated as follows:—

	Tons	Gold dwt./ton	VALUE Uranium Oxide lb./ton	Estimated Stopping Width (inches)
Available	1,237,000	4.97	0.446	49.5
Unavailable—No. 3 <sup>rd</sup> Shaft and No. 1 Shaft and Safety Pillars	1,251,000	5.85	0.689	50.8
Total and Averages	2,488,000	5.42	0.568	50.1

## URANIUM OXIDE SALES

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## GENERAL

**Insurance Claim:**  
The company has received an amount of £150,901 for loss of profits and standing charges and £15,764 for material damage resulting from the accident reported in the September quarter.

## ZANDPAN GOLD MINING CO. LTD.

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>FINANCIAL INFORMATION</b>		
Capital Expenditure (including £126,907 Share Issue Expenses)	£583,226	£312,379
Total Capital Expenditure up to 31st December, 1960, amounted to £3,899,312 (including £256,848 Preliminary and Share Issue Expenses)		

## SHAFT SINKING AND EQUIPPING

No. 1 Shaft			
Footage sunk	425 feet	756 feet	
Depth below collar	5,544 feet	5,119 feet	
Concrete lining accomplished	425 feet	756 feet	
Depth of concrete lining below collar	5,514 feet	5,089 feet	
A total of 91,814 cubic feet was excavated in the cutting of a pump station, and in ancillary work on the 5,000 foot horizon.			
The second 5,145 h.p. winder has been commissioned.			

## SHARE CAPITAL

Arising from the right of shareholders to subscribe for 4,000,000 new shares in the capital of the Company during November, 1960, at 12/6 per share, additional funds of £2,500,000 were received.

## GENERAL

The results obtained from borehole TL 45 are as follows:—

	Reef Depth (feet)	Corrected Width (inches)	Dwt. per Ton	Inch-dwt.	Remarks
Original Intersection					
Leader Reef	6,599	40.6	8.13	330	Core recovery complete
Vaal Reef	6,608	5.9	0.72	4	
First Deflection					
Leader Reef	6,598	42.0	9.26	389	Core recovery almost complete
Vaal Reef	6,607	11.0	2.16	24	
Second Deflection					
Leader Reef	6,598	41.0	10.73	440	Core recovery almost complete
Vaal Reef	6,606	10.0	7.30	73	Core recovery complete

No further deflections will be made.

## ANGLO-TRANSVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this company for the quarter ended 31st December, 1960, totalled 312,765 tons. (Quarter ended 30th September, 1960—345,400 tons.)

Both totals are subject to correction for road loading tonnage.

## MERRIESPRUIT (ORANGE FREE STATE) GOLD MINING COMPANY LIMITED.

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
Capital Expenditure	£109,497	£128,135

## DEVELOPMENT

Footage advanced 3,969 5,597

The above footage was driven by the Virginia mine in the Merriespruit property.

There was no advance in either the 28th level haulage or its companion.

Sampling results of development on Basal Reef:—

	Total	Payable	Total	Payable
Footage sampled	1,955	865 (44.2%)	2,935	1,050 (35.8%)

Channel width (inches) 21.7 29.0 27.2 33.4

Inch-dwt. (gold) 162 282 167 304

Inch-lb. (uranium oxide) 5.17 7.84 6.50 11.22

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

## URANIUM OXIDE SALES

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## GENERAL

During the quarter the water level in No. 2 Shaft fell by 37 feet to 1,638 feet below the collar.

## LORAINÉ GOLD MINES, LIMITED

PRODUCTION		Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
Gold	Tons milled	245,000	245,000
	Yield—ounces fine	54,230	52,075
	—dwt. per ton milled	4.427	4.251
Uranium:	(Joint Production Scheme):		
	Tonnage apportioned	189,073	239,451
	Pounds apportioned	42,651	45,897
	Yield per ton on lb. apportioned	0.226	0.192
	Uranium oxide sold—lb.	44,319	44,319

FINANCIAL INFORMATION		Per ton milled	Per ton milled
Gold:			
Revenue	£688,904	56s. 3d.	£652,380 53s. 3d.
Working costs	730,850	59s. 8d.	704,375 57s. 6d.
Working loss	£41,946	3s. 5d.	51,995 4s. 3d.
Sundry mining revenue	3,000	3d.	6,543 6d.
Net working loss from gold	£38,946	3s. 2d.	£45,452 3s. 9d.
Uranium:		Per lb. sold	Per lb. sold
Revenue	£195,406	88s. 2d.	£199,072 89s. 10d.
Treatment costs	96,406	43s. 6d.	98,072 44s. 3d.
Estimated profit from uranium oxide	£99,000	44s. 8d.	£101,000 45s. 7d.
Total Working Profit for Quarter	£60,054		£55,548

Working costs (gold only) per ounce fine	269s. 6d.	270s. 6d.
Development expenditure per ton milled included in working costs	3s. 8d.	3s. 10d.

NOTE: All information relating to uranium production is provisional and subject to adjustment.

The following amount has not been taken into consideration in calculating the working profit shown above:—  
6% Registered Unsecured Notes—Interest

£8,199 £8,199

## CAPITAL EXPENDITURE

Gold production (including £238,772 in respect of underground development charged to capital)	£397,121	£728,675
Uranium oxide production:		
Contribution towards capital cost of joint uranium plants	35,582	42,264
Total	£432,703	£770,939

Taxation and Government's share of profits for the quarter ended 31st December, 1960	Nil	Nil
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## DEVELOPMENT

Footage advanced	19,130	13,574
Sampling results obtained:—		
Basal Reef	Total Payable	Total Payable
Footage sampled	225	(40.0%) 90
Channel width (inches)	—	4.5 5.0
Inch-dwt. (gold)	—	100 140
Inch-lb. (uranium oxide)	—	11.51 12.26
"B" Reef		
Footage sampled	545 245 (45.0%)	355 75 (21.1%)
Channel width (inches)	16.7 15.3	15.8 8.3
Inch-dwt. (gold)	329 662	138 447
Inch-lb. (uranium oxide)	18.51 28.04	12.18 30.79
Elsburg Reefs		
Footage sampled	2,470 1,675 (67.8%)	1,530 810 (52.9%)
Channel width (inches)	47.6 50.5	39.2 38.3
Inch-dwt. (gold)	680 931	287 451
Inch-lb. (uranium oxide)	24.23 27.14	14.95 18.09
Total—All Reefs		
Footage sampled	3,015 1,920 (63.7%)	2,110 975 (46.2%)
Channel width (inches)	42.0 46.0	31.6 32.9
Inch-dwt. (gold)	617 897	242 422
Inch-lb. (uranium oxide)	23.19 27.25	14.12 18.53

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

## SHAFT SINKING AND EQUIPPING

## No. 3 Shaft

Raising on the Elsburg reefs has commenced from the 52nd level. Work on the pump chamber at 5,619 feet below the collar is in progress. The ore and waste passes have been holed and work on the tipping arrangements is in progress.

## No. 2 Shaft

A second settler on the 53rd level has been completed and work has commenced on a sludge tunnel.

## URANIUM OXIDE SALES

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## NEW KLERKSDORP GOLD ESTATES, LIMITED

FINANCIAL INFORMATION		Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
Net loss from gold production	£16,715	10s. 8d.	£18,526 11s. 8d.
Estimated profit from uranium oxide production (subject to adjustment)	31,000		32,000
Total Working Profit for Quarter	£14,285		£13,474

The following amounts have not been taken into consideration in calculating the working profit shown above:—

Loans obtained for uranium oxide production:—		
Interest	£345	£365
Loan repayment	£1,907	£1,887

Estimated taxation for the year ended 31st December, 1960

£600

## DIVIDEND

A dividend (No. 12) of 30 per cent (1s. 6d. or 15 cents per share) was declared payable to shareholders registered on 31st December, 1960.

## URANIUM OXIDE SALES

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded but shareholders will be advised of the new arrangements as soon as possible.

## CONSOLIDATED MURCHISON (TRANSVAAL) GOLDFIELDS AND DEVELOPMENT COMPANY LIMITED

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>PRODUCTION</b>		
Tons crushed	41,900	38,200
<b>FINANCIAL INFORMATION</b>		
Profit from antimony and gold	£191,310	£106,280
Capital Expenditure	£43,443	£9,109
Taxation for the twelve months ended 31st December, 1960	£154,300	
DIVIDEND—A Dividend (No. 33) of 85% (4/3d. or 42½ cents per share) was declared payable to members registered on 31st December, 1960.		
<b>DEVELOPMENT</b>		
Footage accomplished all of which was developed in connection with the antimony/gold ore bodies	1,788	2,139
Footage sampled	250	470
Payable footage on account of combined antimony and gold content	250	180
Percentage payable	100	38

## RAND LEASES (VOGELSTRIJSFONTEIN) GOLD MINING COMPANY LIMITED

PRODUCTION	Quarter ended 31st Dec., 1960				Quarter ended 30th Sept., 1960			
Tons milled	560,000				576,000			
Yield—ounces fine	79,328				83,324			
—dwt. per ton milled	2.833				2.893			
FINANCIAL INFORMATION	Per ton milled				Per ton milled			
Revenue from gold	£1,007,879	36s.	0d.	£1,042,246	36s.	2d.		
Working costs	1,000,150	35s.	9d.	1,022,703	35s.	6d.		
Working profit	7,729	3d.		19,543	8d.			
Sundry mining revenue	5,900	3d.		12,500	5d.			
Total Working Profit for Quarter	£13,629	6d.		£32,043	1s. 1d.			
Working costs per ounce fine	252s. 2d.				245s. 6d.			
Development expenditure per ton milled included in working costs	2s. 2d.				2s. 4d.			
Capital Expenditure	£24,014				£29,115			
Estimated Taxation for the half-year ended 31st December, 1960	£4,200							
DEVELOPMENT								
Footage advanced	8,492				10,953			
Sampling results obtained:—								
Main Reef Series	Total	Payable		Total	Payable			
Footage sampled	2,460	1,350 (54.9%)		3,535	1,815 (51.3%)			
Channel width—inches	23.6	21.2		35.5	33.5			
Inch-dwt.	198	299		205	323			
Bird Reef								
Footage sampled	930	240 (25.8%)		630	160 (25.4%)			
Channel width—inches	43.1	53.2		39.1	59.6			
Inch-dwt.	101	214		124	315			
Kimberley Reef								
Footage sampled	590	50 (8.5%)		1,790	390 (21.8%)			
Channel width—inches	58.8	65.0		58.6	54.3			
Inch-dwt.	124	194		118	204			
Total—All Reefs								
Footage sampled	3,980	1,640 (41.2%)		5,955	2,365 (39.7%)			
Channel width—inches	33.4	27.3		42.8	38.7			
Inch-dwt.	165	284		170	303			

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

## GENERAL

Repayment of Capital—Capital repayment instalment No. 4 of 6d. (five cents) per share was declared payable to shareholders registered on 31st December, 1960.



committed and economically underdeveloped countries.

A failure to achieve this is a guarantee that it will eventually be achieved within the Communist orbit. Consequently to argue, as Washington apparently still does, against a rise in the gold price on the ground that it would be strengthening the economic position of the Communist countries in relation to the West, is surely quite secondary to perpetuating a monetary situation which will, in any event, ensure our eventually losing the Cold War.

In any case, it is debatable whether a higher gold price would place the Communist countries in any stronger position to fight the Cold War. Their industries are, and seem likely to remain, at full stretch at any rate through the 1960's, and no rise in the gold price can ease this situation, although it may shorten its duration by making easier the purchase of capital goods from the West. In contrast, the productive potential of the West is far from being fully utilised (in Britain we are not even working very hard yet) and thus it is on this side of the Iron Curtain that the industrial capacity can most readily be spared for the task of transforming African and Asian economies. The problem is how to finance this transformation.

#### How the Gold Price Has Moved

Meanwhile the dollar continues to bear a fixed relation to gold, and two weeks ago, in defence of this now strained relationship, the equilibrium of the gold market—although not the price—was sharply disturbed following President Eisenhower's order forbidding U.S. citizens to hold stocks of gold overseas, including of course certificates carrying entitlement to gold on demand. Americans are already prohibited from holding such stocks within the United States and the position of the U.S. citizen is now virtually no different from that of the Britisher.

When we last wrote, it was in the immediate aftermath of the outburst of gold fever which pushed the London gold price on one day in October as high as 290s., although the fixing price never rose above 268s. Since the end of October, the price first came down fairly quickly to below 254s. and since then has remained steadily between this and a low point of 252s. 6d.

It is apparent from this behaviour, which has kept the gold price persistently a little above the ceiling (about 252s.) fixed for transactions by central banks under I.M.F. regulations, that the price has been most successfully manipulated by the Bank of England in such a way as to keep the central banks out of the market while maintaining the free functioning of that market. To do this the Bank has at times had to make very substantial offerings of its own gold holdings to the market. Thus in the early part of November these were apparently running at some £15,000,000 per week supplemented by perhaps £3,000,000 of new South African gold.

The Bank of England, with its special duties as banker for the sterling area, is clearly in no position to hand out its own gold holdings gratuitously at this rate, and it must be assumed that some arrangement has been come to with the U.S. Treasury whereby the Bank of England can reconvert at least a part of her fast rising dollar balances back into gold. Indeed the gold losses which the U.S. has suffered during the last two months of 1960 may very largely be explained by these transfers.

Indications are that, up to the time of President Eisenhower's order, the Bank of England was still actively supporting the

market, so it cannot be said that by then confidence in the dollar had been by any means fully restored. Equally, it is too early yet to assess what is now likely to be the effect on the London gold market of the ban on foreign American gold holdings. All that can be said in the short term is that it may stimulate hedging into gold by private individuals in other countries and that almost certainly it must be regarded as a bull point for gold shares which are now the only remaining gold price hedge available to American citizens.

Beyond that, it still remains to be seen whether the ban is effective or whether many American gold holders will use the cover of foreign nominees, or merely fail to declare their holdings.

Moreover it by no means follows that, when Americans sell gold, they will buy dollars. Thus, although the gold losses from private U.S. buying and from Washington's support of the London gold market seem likely to be halted, little gold may actually be repatriated, unless President Eisenhower's ban is followed by further restrictions on the movement of American capital abroad, which in turn would undermine confidence in the dollar still further.

In any event, the price of gold seems unlikely to fluctuate greatly as, until American sales of privately held gold stocks commence (and this operation does not have to be completed until June 1), the Bank of England will presumably continue to come in as a seller as necessary.

There is also the possibility that private American gold sales will come on the market so erratically as to force the gold price below the level at which the central banks may buy on the London market. In this event it will be interesting to see whether the Bank of England comes into the market as a buyer, in which case it might conceivably again require U.S. Treasury support either in the form of dollars or American held sterling balances.

#### Effect of Gold Price on Mine Profits

One consequence of the continued premium on the London gold market has been that the South African gold producer has continued to enjoy a higher price on his gold sales, although not at quite the level recorded for last October (254s.). In November the value of gold sales were declared at 253s. 10d. and in December at 252s. 8d. These monthly average prices are reflected in the quarterly profit figures which are generally better, more especially in the case of the marginal producers. At the same time the rise has neither been large enough, nor prospectively of sufficiently certain duration, to have any appreciable effect on pay limits.

Nor does it follow that, if a substantially higher gold price developed permanently, it would necessarily result in every mine continuing to work to its average grade, as it seems unlikely that in this event the South African Government would insist, under the terms of its mine lease agreements, upon mill grades being lowered to the point where the trend in the industry's output of physical metal was in the aggregate adversely affected.

This question of revised pay limits in the face of a higher gold price is, of course, crucial in any consequential reassessment of share values and was discussed at length in the article in our issue of May 1958 which was recirculated with our issue of November 1960. It is now coming to be more generally realised that the marginal producer would, in any case where possible, tend to siphon off a large part of the benefit from the higher gold price into lowering

his pay limit and extending the life of the mine and in using part of higher profits for heavy capital expenditure at mines such as City Deep and Crown Mines, where the future would then lie at great depths.

However it is not every low grader which can in practice lower its pay limit. A number of these are located in the eastern Rand where the values occur as shoots which, if not payable at the present gold price, are unlikely to be payable in any event. Thus in many cases it is still the low grade mines which may be expected to show the largest *proportional* increase in profits and share values in the event of a gold price rise.

#### When Not To Buy

Now a word of advice to the legion of investors who are not already into gold shares when the price rise does eventuate. It is to stay out until the initial, and probably brief, bout of speculative buying and subsequent profit taking has exhausted itself.

At that point there may be some good bargains to be picked-up, either as lock-ups or for capital appreciation over, say, the following twelve to eighteen months that it will take for a mine's new earnings basis to become fully apparent. Thereafter, the new gold price should have been fully discounted and, if the price rise occurs in the early future, the overseas investor will presumably then be back to a straight assessment of the political risk, while the South African investor continues to absorb periodic bouts of selling from abroad touched off by these fears.

#### Who Has Been Supporting Kaffirs?

The Cape has of course been a net buyer of Kaffirs for the past two or three years but the events of 1960 have provided a quite remarkable acceleration to this process, more especially during the first half of the year. This is reflected in the heavy withdrawals of foreign capital, which have led the President of the Johannesburg Stock Exchange, in his recent presidential address, to observe with some justification that "whereas for half a century London could fairly have been said to be the centre of the Kaffir market, the title today belongs to Johannesburg".

The great bulk of the South African buying has been coming from the institutions, notably the life assurance companies and the privately administered pension funds, which between them are having to find a home for some £60,000,000 of new money each year. As Mr. T. A. Murray points out in the December issue of *Optima*, life assurance and pension funds are both being increasingly forced into the equity market, because of the low interest rates net of tax prevailing on mortgages and because of the low yields on gilt-edged—5 per cent on long dated government securities, against 8 per cent on industrials and more on golds, prospectively or now according to their stage of development. Mr. Murray estimates that, in the two years prior to Sharpeville, the South African Mutual and Sanlam (both leading life assurance companies) between them acquired nearly £15,000,000 of equities—in the main mining shares.

The extent to which this process has been accelerated since then may be gauged from the latest annual report of the S.A. Mutual, which discloses that between November 14, 1959 and October 21, 1960 the book value of its ordinary shareholdings rose from £7,700,000 to

(Continued on page 15)

# THE CENTRAL MINING—RAND MINES GROUP

South African Mining Companies' Directors' Reports for Quarter Ended 31st December, 1960.

Offices of the London Secretaries: 4 London Wall Buildings, E.C.2.

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which may be or were necessary when estimating ore reserves at the ends of the respective financial years.

## HARMONY GOLD MINING COMPANY, LIMITED.

Ore milled 503,000 tons.	Slimes treated for Uranium 503,600 tons
GOLD YIELD	URANIUM YIELD
Ozs. Fine Dwt. per ton	Lbs. Lb. per ton
204,070 8.114	245,500 0.487
Uranium sold 245,500 lb.	Pyrites concentrate recovered 10,335 tons
	Sulphuric Acid produced 10,703 tons.
	Per Ton Milled s. d.
GOLD	
Working Revenue .. .. .	£2,595,884 .. 103 3
Working Expenditure .. .. .	1,627,988 .. 64 9
WORKING PROFIT .. .. .	£967,896 .. 38 6
URANIUM SOLD AND PYRITES PRODUCED	
Revenue .. .. .	£985,375
Treatment Costs .. .. .	290,575
Working Profit .. .. .	694,800
SULPHURIC ACID	
Working Profit .. .. .	53,270
TOTAL WORKING PROFIT .. .. .	£1,715,966

Adjusting for interest on funds borrowed, £44,500 less sundry revenue (net) £14,800, the NET PROFIT was £1,686,266.

Capital Expenditure, £375,000.

Funds Borrowed—Capital Repayment £597,800.

TAXATION AND LEASE CONSIDERATION—No South African taxation or Lease Consideration is as yet payable by the Company.

CENTRAL MINING FINANCE LIMITED—LOAN REPAYMENT—The second repayment of £500,000 against the Central Mining Finance Limited loan was made on the 31st December, 1960, leaving a balance of £1,000,000 to be repaid.

WATER DISPOSAL AND EVAPORATION AREAS—Negotiations for the purchase of additional land for the disposal of underground water are proceeding.

UNDERGROUND WATER—During the quarter the water pumped per 24 hours averaged 5,036,000 gallons and for the month of December, 5,007,000 gallons. NO. 2 SHAFT—In addition to the normal reef and off-reef development accomplished during the quarter, the off-reef development on 21 and 25 levels amounted to 5,086 feet and 7,622 feet respectively.

URANIUM—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

DEVELOPMENT—Total 24,200 feet.

### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. per ton	Gold Width Inches	Uranium Width Inches
Basal	1,920	1,735	90.4	18.6	1.133	26	484

## CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED

Ore Milled 145,000 tons.	Yield 32,013 oz. fine.	Yield per ton 4.416 dwt
		Per Ton Milled s. d.
Working Revenue .. .. .		£407,417 .. 56 2
Working Expenditure .. .. .		397,157 .. 54 9
<b>WORKING PROFIT</b> .. .. .		<b>£10,260 .. 1 5</b>

Adjusting for sundry revenue £7,900 and Outstanding Liabilities Trust Fund (Cr.) £17,700, the TOTAL PROFIT was £35,860.

Taxation £2,500.

Dividend No. 102 of 1s. 6d. (equivalent to 15 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to shareholders registered on 31st December, 1960, £93,570.

DEVELOPMENT totalled 2,111 feet.

### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. per ton	Gold Width Inches	Uranium Width Inches
Main Reef Leader	410	120	29.3	51.0	—	6	306
Main Reef	70	—	—	—	—	—	—
TOTALS & AVERAGES	480	120	25.0	51.0	6	306	—

## EAST RAND PROPRIETARY MINES, LIMITED.

Ore Milled 659,000 tons.	Yield 152,563 oz. fine.	Yield per ton 4.630 dwt.
		Per Ton Milled s. d.
Working Revenue .. .. .		£1,940,192 .. 58 11
Working Expenditure .. .. .		1,702,322 .. 51 8
<b>WORKING PROFIT</b> .. .. .		<b>£237,870 .. 7 3</b>

Adjusting for sundry expenditure £14,100 and Outstanding Liabilities Trust Fund (Cr.) £26,200, the TOTAL PROFIT was £249,970.

Taxation (Cr.) £5,200.

Dividend No. 82 of 1s. 6d. (equivalent to 15 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £297,000.

Capital Expenditure £400,900.

The new Central Reduction Plant commenced test milling operations during December.

DEVELOPMENT totalled 14,416 feet.

### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. per ton	Gold Width Inches	Uranium Width Inches
South Reef	600	170	28.3	13.6	—	32	434
Main Reef Leader	350	—	—	—	—	—	—
Composite Reef	2,160	760	35.2	13.9	28	388	—
Main Reef	1,410	420	29.8	15.9	38	606	—
TOTALS & AVERAGES	4,520	1,350	29.9	14.4	32	462	—

The ORE RESERVE at 31st December, 1960, has been re-estimated as follows:—

	Tons	Value Dwt. per ton	Width Inches	Inch. Dwt.
Available .. .. .	4,164,000	6.1	47.7	289
Not Available .. .. .	1,287,000	5.4	56.4	306
TOTAL .. .. .	5,451,000	5.9	49.5	293

## CROWN MINES, LIMITED

Ore Milled 557,000 tons.	Yield 97,863 oz. fine.	Yield per ton 3.514 dwt.
		Per Ton Milled
Working Revenue .. .. .		s. d.
Working Expenditure .. .. .	£1,246,152 .. 44 9	
	1,233,366 .. 44 3	
<b>WORKING PROFIT .. .. .</b>	<b>£12,786 .. 0 6</b>	

Adjusting for sundry revenue £18,300 and Outstanding Liabilities Trust Fund (Cr.) £40,900, the TOTAL PROFIT was £71,986.

Taxation £5,400.

Dividend No. 119 of 2s. 0d. (equivalent to 20 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £188,600.

Capital Account—Recovery from Insurers for equipment destroyed by fire in "B" Mill (Cr.) £49,600. Property Expenditure (Dr.) £1,000.

DEVELOPMENT totalled 13,227 feet.

### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. per ton	Gold Width Inches	Uranium Width Inches
Kimberley Reef	2,305	415	18.0	5.9	39	230	—
South Reef	745	155	20.8	10.3	28	288	—
Main Reef Leader	2,655	465	17.5	26.7	16	427	—
Main Reef	2,540	610	24.0	6.7	40	266	—
TOTALS & AVERAGES	8,245	1,645	20.0	9.5	32	305	—

The ORE RESERVE at 31st December, 1960, has been re-estimated as follows:—

	Tons	Value Dwt. per ton	Width Inches	Inch. Dwt.
Available .. .. .	2,401,000	5.3	45.0	240
Not Available .. .. .	1,941,000	5.1	45.7	234
TOTAL .. .. .	4,342,000	5.2	45.3	238



### BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED.

Ore Milled 398,000 tons.	Slimes treated for Uranium 484,940 tons
<b>GOLD YIELD</b>	<b>URANIUM YIELD</b>
Ozs. Fine Dwt. per ton	lb. lb. per ton
257,863 12.958	168,427 0.347
Uranium sold 162,430 lb.	

<b>GOLD</b>		Per Ton Milled
Working Revenue	£3,283,692	s. d.
Working Expenditure	1,286,843	165 0
<b>WORKING PROFIT</b>	£1,996,849	64 8

<b>URANIUM SOLD</b>		Per Ton Milled
Revenue	£680,759	s. d.
Treatment Costs	247,483	64 8
<b>WORKING PROFIT</b>	£433,276	100 4

<b>SULPHURIC ACID</b>		Per Ton Milled
Working Profit	41,724	s. d.

<b>TOTAL WORKING PROFIT</b>	£2,471,849	
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Adjusting for sundry revenue (net) £49,400, less interest on Uranium and Sulphuric Acid Loans £18,800, the **TOTAL PROFIT** was £2,502,449.

Taxation and Lease Consideration £1,247,600.  
Dividend No. 30 of 1s. 3.6d. (equivalent to 13 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £1,560,000.

Capital Expenditure £346,200.  
Uranium and Sulphuric Acid Loan Accounts—Quarterly Instalment—Capital Repayment, £138,500.

No. 4 SHAFT—The erection of the concrete headgear has been completed and sinking on a limited scale was recommenced on the 13th of December. It is anticipated that the shaft will enter the solid dolomites during the current quarter.

**URANIUM—STRETCH OUT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but Shareholders will be advised of the new arrangements as soon as possible.

**DEVELOPMENT** totalled 17,192 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. lb.	Channel Width Inches	Gold Dwt. lb.	Uranium Dwt. lb.
Carbon Leader	3,605	3,055	84.7	103.3	3,979	6	620	23,872
No. 4 Shaft								

No. 4 Shaft was sunk 78 feet to a total depth of 333 feet below the collar.

### MODDERFONTEIN EAST, LIMITED

Ore Milled 303,000 tons.	Yield 31,546 oz. fine.	Yield per ton 2,082 dwt.
--------------------------	------------------------	--------------------------

<b>Working Revenue</b>	£402,542	s. d.
<b>Working Expenditure</b>	399,746	26 7
<b>WORKING PROFIT</b>	£2,796	0 2

Adjusting for sundry revenue £2,700 and Outstanding Liabilities Trust Fund (Cr.) £6,800, the **TOTAL PROFIT** was £12,296.

Taxation (Cr.) £800.  
Dividend No. 67 of 6d. (equivalent to 5 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £23,300.

It was announced in the Press on 28th October, 1960: "That, owing to the difficulties of producing sufficient payable ore to maintain the present milling rate, it has been decided to reduce the scale of operations. With effect from 1st December, 1960, therefore, the milling rate will be reduced from about 130,000 tons per month to approximately 52,000 tons per month. By this arrangement, it is expected that the Mine will operate with a small working profit for a further limited period."

The change over to a reduced tonnage was effected in December. 57,000 tons of ore were milled in that month with a Working Profit of £1,626.

**DEVELOPMENT** totalled 539 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. lb.	Channel Width Inches	Inch. Dwt.
Main Reef Leader	485	130	26.8	14.6	29	422	

### CITY DEEP, LIMITED

Ore Milled 350,000 tons.	Yield 71,529 oz. fine.	Yield per ton 4,087 dwt.
--------------------------	------------------------	--------------------------

<b>Working Revenue</b>	£909,868	s. d.
<b>Working Expenditure</b>	897,129	52 0
<b>WORKING PROFIT</b>	£12,739	0 9

Adjusting for sundry revenue £10,100 and Outstanding Liabilities Trust Fund (Cr.) £20,600, the **TOTAL PROFIT** was £43,439.

Taxation £3,800.

Dividend No. 79 of 8.4d. (equivalent to 7 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £71,000.

Capital Expenditure £12,600.

**DEVELOPMENT** totalled 8,837 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. lb.	Channel Width Inches	Inch. Dwt.
South Reef	1,110	200	18.0	11.0	39	430	
Main Reef Leader	1,570	990	63.1	22.4	20	447	
Main Reef	580	60	10.3	6.2	44	273	
<b>TOTALS &amp; AVERAGES</b>	3,260	1,250	38.3	18.2	24	436	

The **ORE RESERVE** at 31st December, 1960, has been re-estimated as follows:—

Available	Tons	Value Dwt. per ton	Width Inches	Inch. Dwt.
Available	2,594,000	5.8	40.1	232
Not Available	557,000	6.4	41.3	266
<b>TOTAL</b>	3,151,000	5.9	40.3	236

### DURBAN ROODEPOORT DEEP, LIMITED.

Ore Milled 563,000 tons.	Yield 102,786 oz. fine.	Yield per ton 3,651 dwt.
--------------------------	-------------------------	--------------------------

<b>Working Revenue</b>	£1,308,598	s. d.
<b>Working Expenditure</b>	1,155,560	46 6
<b>WORKING PROFIT</b>	£153,038	5 5

Adjusting for sundry revenue £12,500 and Outstanding Liabilities Trust Fund (Cr.) £14,400 the **TOTAL PROFIT** was £179,938.

Taxation £24,900.

Dividend No. 80 of 1s. 6d. (equivalent to 15 cents) per share, declared on 8th December, 1960, payable on or about 16th February, 1961, to Shareholders registered on 31st December, 1960, £174,400.

Capital Expenditure £66,900.

No. 1.E. SUB-VERTICAL SHAFT—Work on the support of the hoist chamber and headgear portion of this new shaft was completed and the Sinking Hoist and Stage Hoist were installed.

**DEVELOPMENT** totalled 22,182 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent	Value Dwt. per ton	Channel Value Dwt. lb.	Channel Width Inches	Inch. Dwt.
Kimberley Reef	6,470	4,020	62.1	7.4	46	340	
South Reef	270	20	7.4	59.5	4	238	
Main Reef	5,510	3,060	55.5	10.4	39	406	
<b>TOTALS &amp; AVERAGES</b>	12,250	7,100	58.0	8.6	43	368	

No. 1.E. Sub-Vertical Shaft was sunk 50 feet to a depth of 72 feet below the collar.

The **ORE RESERVE** at 31st December, 1960, has been re-estimated as follows:—

Available	Tons	Value Dwt. per ton	Width Inches	Inch. Dwt.
Available	7,244,000	4.1	56.7	233
Not Available	550,000	4.5	58.3	260
<b>TOTAL</b>	7,794,000	4.1	56.8	235

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# GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

## GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 31st December, 1960

All companies mentioned are incorporated in the Union of South Africa

	BUFFELSFONTEIN GOLD MINING COMPANY LIMITED			ELLATON GOLD MINING COMPANY LIMITED			SOUTH ROODEPOORT MAIN REEF AREAS LIMITED			STILFONTEIN GOLD MINING COMPANY LIMITED			WEST RAND CONSOLIDATED MINES LIMITED		
	June 1960	Sept. 1960	Dec. 1960	June 1960	Sept. 1960	Dec. 1960	June 1960	Sept. 1960	Dec. 1960	June 1960	Sept. 1960	Dec. 1960	June 1960	Sept. 1960	Dec. 1960
<b>PRODUCTION</b>															
<b>GOLD:</b>															
Tons milled .....	441,000	441,000	442,000	88,000	85,000	79,000	89,000	91,000	90,000	496,000	504,000	504,000	410,000	409,000	391,000
Ounces fine recovered .....	175,112	181,442	182,441	20,775	20,058	18,800	21,417	21,781	21,748	223,500	228,636	229,075	59,302	59,235	57,342
Yield per ton—dwt. ....	7942	8,229	8,285	4,722	4,720	4,759	4,813	4,787	4,833	9,012	9,073	9,090	2,893	2,897	2,933
Revenue per ton milled .....	99/4	102/10	105/2	59/1	59/1	60/5	60/8	60/4	61/10	112/11	113/8	115/6	37/7	37/9	38/9
Cost per ton milled .....	56/6	58/6	58/10	41/2	42/2	43/7	45/2	45/1	45/10	65/3	64/2	64/3	36/1	35/9	37/5
Profit per ton milled .....	42/10	44/4	46/4	17/11	16/11	16/10	15/6	15/3	16/10	47/8	49/6	51/3	1/7	2/0	1/4
<b>URANIUM:</b>															
Tons milled .....	—	—	—	—	—	—	—	—	—	—	—	—	228,000	228,000	228,000
Tons treated .....	386,000	368,000	336,000	92,792	99,397	99,779	21,417	21,781	21,748	297,500	297,300	323,600	228,000	228,000	228,000
Uranium oxide produced—lb. ....	192,036	191,671	186,212	29,136	30,232	31,921	95,769	89,327	90,649	95,769	89,327	90,649	321,478	324,447	323,110
Yield per ton treated—lb. ....	0.4975	0.5208	0.5542	0.3140	0.3042	0.3199	0.3219	0.3005	0.2801	0.3219	0.3005	0.2801	1.41	1.423	1.42
Uranium oxide sold—lb. ....	193,210	188,728	188,257	28,722	32,316	30,612	91,968	92,412	92,412	91,968	92,412	92,412	310,536	308,100	308,086
<b>URANIUM—SECTION (WEST RAND CONS.)</b>															
Gold—ounces fine recovered .....	—	—	—	—	—	—	—	—	—	—	—	—	5,630	5,203	5,628
Yield per ton—dwt. ....	—	—	—	—	—	—	—	—	—	—	—	—	0.494	0.456	0.494
Cost per ton .....	—	—	—	—	—	—	—	—	—	—	—	—	51/3	49/10	49/7
<b>FINANCIAL</b>															
<b>GOLD:</b>															
Working revenue .....	2,190,817	2,268,228	2,323,461	260,060	251,043	238,779	269,987	274,549	278,420	2,800,363	2,864,096	2,910,883	770,310	771,749	758,783
Working costs .....	1,245,722	1,290,189	1,300,530	181,100	179,128	172,072	201,118	205,071	206,417	1,619,123	1,616,801	1,619,500	737,917	730,310	731,155
Working profit .....	945,095	978,039	1,022,931	78,960	71,915	66,707	68,869	69,478	72,003	1,181,240	1,247,295	1,291,383	32,393	41,439	27,628
<b>URANIUM:</b>															
Working revenue .....	756,387	726,939	722,920	149,671	134,813	139,923	392,957	391,177	381,559	392,957	391,177	381,559	1,214,650*	1,176,602*	1,180,021*
Working and treatment costs .....	181,387	151,939	156,970	95,671	87,813	89,923	178,957	178,177	166,559	584,569	568,408	568,408	584,569	568,408	568,466
Working profit .....	575,000	575,000	566,000	54,000	47,000	50,000	214,000	213,000	215,000	214,000	213,000	215,000	630,081	608,194	614,555
Sulphuric Acid: Working profit .....	63,000	63,000	61,000	—	—	—	—	—	—	—	—	—	—	—	—
Additional revenue .....	—	—	—	—	—	—	2,665	1,750	1,550	—	—	—	21,033	16,800	22,276
<b>TOTAL PROFIT</b>	1,583,095	1,616,039	1,649,931	132,960	118,915	116,707	71,534	71,228	73,553	1,446,240	1,510,295	1,553,383	683,507	666,433	664,459
Taxation (Inc. State's share of profits) .....	—	—	—	—	—	—	27,000	28,000	30,000	417,000	525,000	418,700	293,000	260,000	285,000
Uranium and other Loan repayments (including interest) .....	222,270	631,284	214,722	109,209	198,836	83,609	—	—	—	181,506	165,631	181,506	74,472	74,472	74,472
<b>CAPITAL EXPENDITURE:</b>															
Gold .....	880,591	807,828	761,837	Cr. 41	Cr. 70	Cr. 405	808	888	2,079	466,128	490,345	824,285	Cr. 13,383	8,014	Cr. 1,711
Uranium, Pyrite and Acid .....	4,929	5,556	12,522	12,153	12,153	12,153	—	—	—	58,564	59,426	58,028	—	—	—
Amortisation Contributions received (Uranium) .....	1/104	—	1/9	—	—	—	1/14	—	1/14	1/6	—	1/6	—	—	—
Dividend per share .....	—	—	—	—	—	—	—	—	—	—	—	—	£5.13.4d.	Def.	£6.7.6d.

\* Includes revenue from gold and uranium  
27. Ord. 1 2/3d. Ord.  
£5.13.4d. Def. £6.7.6d. Def.

Footnote sampled .....	5,170	6,075	6,785	1,70	420	210	3,405	2,065	2,340	5,925	5,485	4,848	5,550	6,000	6,478
Footnote sampled .....	4,900	5,455	6,375	90	230	70	1,095	790	1,120	4,935	4,890	4,285	4,040	4,475	4,690

URANIUM SECTION (WEST RAND CONS.)										
Footage sampled	5,170	6,075	6,785	170	420	210	3,405	2,653	3,340	4,845
Footage payable	4,500	5,455	6,375	90	230	70	1,095	790	1,120	4,255
Percentage payable	87.0	89.8	94.4	52.9	54.8	33.3	32.2	38.3	47.9	97.9
Channel width—inches	39.8	37.5	35.9	28.2	24.6	16.1	33	39	28	7.9
Average value—dwt.	14.1	17.2	18.7	9.6	15.3	30.7	7.9	7.8	9.0	61.5
Inch-dwt.	562	644	670	269	177	625	265	304	252	486
Uraniun: Pounds per ton	0.935	0.950	1.079	0.899	0.870	1.362		2.080	2.379	2.233
Inch-pounds	37.97	35.62	38.74	25.32	21.43	21.99		12.48	16.65	17.64
URANIUM SECTION (WEST RAND CONS.)										
Total footage advanced										
Footage sampled										
Footage payable										
Percentage payable										
Channel width—inches										
Gold value—inch-dwt.										
Uraniun: Pounds per ton										
Value—inch-pounds										
ORE RESERVES										
Gold:	As at 30th June, 1960	4,275,000		As at 30th June, 1960	153,000		As at 31st December, 1960	5,245,000		As at 31st December, 1960
Tons		58.6		Tons	42.2		Tons	40.9		Tons
Stopping width—inches		9.27		Stopping width—inches	8.262		Stopping width—inches	9.68		Stopping width—inches
Value dwt.		543		Value dwt.	349		Value dwt.	396		Value dwt.
Inch-dwt.		0.726		Inch-dwt.	0.862		Inch-dwt.	0.332		Inch-dwt.
Uraniun: Pounds per ton		42.50		Uraniun: Pounds per ton	36.43		Uraniun: Pounds per ton	13.57		Uraniun: Pounds per ton
Inch-pounds				Inch-pounds			Inch-pounds			Inch-pounds
URANIUM SECTION (WEST RAND CONS.)										
Tons				Tons			Tons			Tons
Stopping width—inches				Stopping width—inches			Stopping width—inches			Stopping width—inches
Uraniun: Pounds per ton				Uraniun: Pounds per ton			Uraniun: Pounds per ton			Uraniun: Pounds per ton
Inch-pounds				Inch-pounds			Inch-pounds			Inch-pounds
Gold:				Gold:			Gold:			Gold:
Dwt. per ton				Dwt. per ton			Dwt. per ton			Dwt. per ton
Inch-dwt.				Inch-dwt.			Inch-dwt.			Inch-dwt.

NOTE: DEVELOPMENT VALUES REPRESENT ACTUAL RESULTS OF SAMPLING, NO ALLOWANCE HAVING BEEN MADE FOR ANY REDUCTIONS WHICH, SUBSEQUENTLY, MAY BE CONSIDERED NECESSARY WHEN COMPILING THE ORE RESERVES.										
Bird Reef	10,154	8,576	8,014	5,550	6,060	6,478				
Bird Reef	5,720	4,423	3,667	4,040	4,475	4,690				
Bird Reef	4,765	3,750	3,300							
Bird Reef	83.3	84.6	90.6							
Bird Reef	22.9	24.1	22.1							
Bird Reef	49	51	48							
Bird Reef	3,019	3,031	2,994							
Bird Reef	69.12	73.05	66.12							
As at 31st December, 1960	4,579,000									
As at 31st December, 1960	5,245,000									
As at 30th June, 1960	1,165,000									
As at 30th June, 1960	47									
As at 30th June, 1960	4.7									
As at 30th June, 1960	221									
As at 30th June, 1960	—									
As at 30th June, 1960	—									
As at 31st December, 1960	3,496,000									
As at 31st December, 1960	34									
As at 31st December, 1960	1,325									
As at 31st December, 1960	45.05									
As at 31st December, 1960	0.7									
As at 31st December, 1960	24									

**URANIUM**

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible. They may be obtained on application to the London Secretaries at address given below.

For and on behalf of

**General Mining & Finance Corporation Limited,  
B. M. IVISON, London Secretary.**

### How the Market Has Moved

On October 19 the *F.T.* gold share index stood at 69.8. On January 23 it was 78.4. Although share prices are thus generally higher than before October 20 (the day which marked the beginning of the brief market flare up on gold price hopes) they are still a little below the high point reached during that short burst. The improvement over the past three months is small but widely spread throughout the list, becoming, as might be expected, more pronounced among the older low grade mines which are likely to show the sharpest rise in the event of a gold price change. Finance and investment shares have also been making a good showing.

There have of course been one or two surprises, such as the realisation that the Free State Geduld dividend payments have, as we pointed out in our November issue, about reached a plateau. There have also been warnings of possible further cuts in the President Steyn dividend pending the No. 3 shaft system becoming fully operative in addition to minor cuts in the dividends of Hartebeestfontein and Buffelsfontein. It would appear that in some of these cases the full implications of the impact of taxation

(Continued on page 19)



# ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

## GOLD MINING COMPANIES' DIRECTORS' ABRIDGED REPORTS FOR THE QUARTER ENDED 31st DECEMBER, 1960

(All Companies mentioned are incorporated in the Union of South Africa)

### NOTES

The development values in all these Companies' Reports represent actual results of sampling, no allowance having been made for adjustments which are necessary in estimating ore reserves. Copies of the complete quarterly reports of any company may be had on application to the London Secretaries, 40 Holborn Viaduct, E.C.1.

### PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	318,000	308,000
Ounces fine	118,605	115,235
Yield per ton—dwt.	62s. 5d.	62s. 4d.
Cost per ton milled	32s. 8d.	31s. 4d.
Profit per ton milled		
Uranium (Joint Production Scheme)		
Lb. apportioned	63,996	68,371
Yield per ton on lb. apportioned	0.253	0.251
<b>WORKING RESULTS</b>		
Gold—Working profit	£519,090	£482,542
Uranium (estimated):		
Treatment costs	£146,853	£139,824
Working profit	£181,600	£182,330
Total Working Profit	£700,690	£664,872
<b>FINANCIAL</b>		
No taxation and no share of profit are as yet payable to the State.		
Capital expenditure: gold and uranium including contributions towards capital cost of Welkom Gold Mining Company uranium plant less recoupments	£393,662	£569,130
Interest charges (excluding interest on uranium loans)	£41,311	£41,282
Uranium loan repayments (comprising redemption and interest)	£122,887	£122,888
<b>DEVELOPMENT</b>		
Total footage driven	15,203	15,948
Basal Reef		
Feet sampled	2,390	3,155
Feet payable (Gold)	2,230	2,725
Percentage payability (Gold)	93.3	86.4
Average gold value—dwt. per ton	32.35	30.52
Average uranium oxide value—lb. per ton	1.02	1.07
Width—inches	12.10	13.18
Equivalent inch-dwt.	391	402
Equivalent inch-lb.	12.31	14.13
Owing to the uneconomic results obtained from the Leader Reef, publication of details of development on this reef is being discontinued for the time being.		
<b>BOREHOLE RESULT</b>		
During the quarter under review, the following information was published regarding the reef intersection in Borehole K.P.11:		
Borehole K.P.11, situated about 4,300 feet due east of Borehole K.P.10 and approximately 8,500 feet in a southerly direction from No. 2 shaft intersected the Basal Reef at a depth of 6,703 feet.		
The reef assayed 70.7 dwt. of gold per ton over a corrected width of 8.9 inches, equivalent to 629 inch-dwt.		
In a deflection, the Basal Reef was again intersected, this time at a depth of 6,701 feet and assayed 68.0 dwt. of gold per ton over a corrected width of 8.9 inches, equivalent to 605 inch-dwt.		
In a second deflection, the Basal Reef was intersected at 6,701 feet and assayed 153.3 dwt. of gold per ton over a corrected width of 9.85 inches, equivalent to 1,510 inch-dwt. Core recovery was complete and no further deflection will be made.		
<b>SHAFT SINKING</b>		
No. 3 Main Shaft was sunk 670 feet to a depth of 5,827 feet.		
No. 3 Ventilation Shaft was sunk 810 feet to its final depth of 6,010 feet		
<b>URANIUM</b>		
Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.		

### SPRINGS MINES, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	281,000	296,000
Ounces fine	38,515	41,108
Yield per ton—dwt.	2.74	2.78
Cost per ton milled	31s. 8d.	32s. 1d.
Profit per ton milled	3s. 2d.	2s. 8d.
Working profit	£44,629	£39,155
The estimated total working profit for the year ended 31st December, 1960, was £171,591 (31st December, 1959—£163,502).		
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	£15,550	£8,125
Capital expenditure	Cr. £10,360	£517
<b>DEVELOPMENT</b>		
Footage driven	4,801	5,741
Feet sampled	3,965	5,200
Feet payable	1,475	1,690
Percentage payability	37.2	32.5
Average value—dwt. per ton	18.67	15.73
Width—inches	21.86	19.64
Equivalent inch-dwt.	408	309
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average value—dwt.	615,000	1,171,000
Stopping width—inches	4.03	4.41
	42.89	42.25

### EAST DAGGAFONTEIN MINES, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	320,500	319,500
Ounces fine	54,632	54,428
Yield per ton—dwt.	3.41	3.41
Cost per ton milled	35s. 0d.	34s. 10d.
Profit per ton milled	8s. 4d.	7s. 10d.
Working Profit	£133,628	£125,494
The estimated total working profit for the year ended 31st December, 1960, was £501,514 (31st December, 1959, £403,006).		
<b>FINANCIAL</b>		
Taxation—estimated	£57,262	£51,800
Capital Expenditure	£3,212	£2,334
<b>DEVELOPMENT</b>		
Main Reef Leader		
Footage driven	2,283	1,976
Feet sampled	2,005	1,675
Feet payable	725	765
Percentage payability	36.2	45.7
Average value—dwt. per ton	10.99	12.69
Width—inches	20.87	23.3
Equivalent inch-dwt.	229	298
Kimberley Reef		
Footage driven	5,634	5,100
Feet sampled	3,330	2,585
Feet payable	585	640
Percentage payability	17.6	24.7
Average value—dwt. per ton	50.43	55.8
Width—inches	5.85	5.7
Equivalent inch-dwt.	295	32
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average value—dwt.	4,733,000	4,744,000
Stopping width—inches	4.62	4.67
	36.61	36.60

## FREE STATE GEDULD MINES, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	283,500	286,000
Ounces fine	245,442	246,892
Yield per ton—dwt.	17.32	17.27
Cost per ton milled	78s. 2d.	77s. 4d.
Profit per ton milled	141s. 10d.	138s. 8d.
Working profit	£2,010,757	£1,982,617

## FINANCIAL

No taxation and no share of profit are as yet payable to the State.  
Capital expenditure £306,231 £412,475

## DEVELOPMENT

Footage driven	27,229	30,794
Feet sampled	2,680	5,135
Feet payable	2,505	4,565
Percentage payability	93.5	88.9
Average value—dwt. per ton	269.65	320.73
Width—inches	4.81	4.68
Equivalent inch-dwt.	1,297	1,501

The results obtained in the areas of the individual shafts were—

<b>No. 1 Shaft Area</b>		
Feet sampled	1,270	2,770
Feet payable	1,110	2,600
Percentage payability	87.4	93.9
Average value—dwt. per ton	179.84	355.80
Width—inches	5.01	5.00
Equivalent inch-dwt.	901	1,779
<b>No. 2 Shaft Area</b>		
Feet sampled	1,410	2,365
Feet payable	1,395	1,965
Percentage payability	98.9	83.1
Average value—dwt. per ton	345.92	266.82
Width—inches	4.66	4.25
Equivalent inch-dwt.	1,612	1,134

## BOREHOLE RESULT

During the quarter under review the following information was published regarding the reef intersection in borehole A.R.5—

Borehole A.R.5 on the farm Arrarat 4,500 feet due south of Borehole A.R.4 in the south-east portion of the mine's lease area, intersected the Basal Reef at a depth of 7,479 feet. The reef assayed 63.3 dwt. of gold per ton over a corrected width of 5.54 inches equivalent to 351 inch-dwt.

In a deflection, the Basal Reef was duplicated by a reverse fault and was intersected at 7,479 feet and 7,540 feet. The value in the upper intersection was 34.4 dwt. of gold per ton over a corrected width of 4.99 inches equivalent to 172 inch-dwt.; and the value in the lower intersection was 14.9 dwt. of gold per ton over a corrected width of 8.46 inches, equivalent to 126 inch-dwt. Core recovery in all intersections was complete.

The borehole deviated considerably and a further deflection is to be made from a position well above the reef horizon.

## SHAFT SINKING

No. 1A Ventilation Shaft was sunk 119 feet to its final depth of 5,131 feet.

## URANIUM

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

The uranium content of the company's residue slimes has not been sufficient to enable it to participate in the Orange Free State Joint Uranium Production Scheme.

## WESTERN DEEP LEVELS LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>DEVELOPMENT</b>		
Footage driven	14,829	7,799
Feet sampled	960	130
Feet payable	605	50
Percentage payability	63.0	38.5
Average value—dwt. per ton	15.40	37.77
Width—inches	42.26	32.60
Equivalent inch-dwt.	651	1,231

## SHAFT SINKING

No. 2 Shaft System

Ventilation shaft—footage sunk 26 251

Ventilation shaft—footage in stations, pump chambers, etc. 931 706

No. 3 Shaft System

Ventilation shaft—footage sunk 240 —

Shaft depths at 31st Dec., 1960 1959

No. 2 Shaft System

Main shaft 6,309 5,203

(final depth) 6,077 4,770

Ventilation shaft

No. 3 Shaft System

Main shaft 6,354 6,140

(final depth) 6,564 6,131

Ventilation shaft

No. 3 VENTILATION SHAFT

Sinking of the sub-vertical portion of the No. 3 Ventilation Shaft commenced on 11th December, 1960.

## REEF INTERSECTION

In December, 1960, the Ventersdorp Contact Reef was intersected in the No. 3 Ventilation Shaft at a depth of 6,413 feet below the collar. The reef, dipping in a northerly direction at 13°, was sampled at intervals of 5 feet around the perimeter of the shaft and the sections sampled gave an average value for gold of 11.86 dwt. per ton over a channel width of 34.78 inches, equivalent to 412 inch-dwt.

## CAPITAL EXPENDITURE

Expenditure on fixed assets during the quarter amounted to £2,042,292, bringing the total capital expenditure to 31st December, 1960, to £15,170,032.

## WESTERN HOLDINGS LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	467,000	471,000
Ounces fine	317,809	313,487
Yield per ton—dwt.	13.61	13.31
Cost per ton milled	56s. 0d.	56s. 5d.
Profit per ton milled	116s. 10d.	110s. 1d.
Working Profit	£2,728,725	£2,593,246

## FINANCIAL

Taxation and State's share of profits—estimated £1,502,500 £1,434,000  
Capital expenditure £410,289 £381,721

## DEVELOPMENT

Total footage driven	28,202	29,409
Feet sampled	4,165	3,385
Feet payable	3,620	2,840
Percentage payability	86.9	83.9
Average value—dwt. per ton	138.89	196.99
Width—inches	8.67	7.86
Equivalent inch-dwt.	1,204	1,548

Included in the development details given above are the following results obtained in the No. 3 shaft area.

Footage driven	12,650	12,868
Feet sampled	1,880	1,275
Feet payable	1,635	1,110
Percentage payability	87.0	87.1
Average value—inch-dwt.	1,031	1,501

## SHAFT SINKING

No. 1 Ventilation Shaft

Footage sunk in quarter 1,706 feet, the depth to date being 1,706 feet.

## AREA SOUTH OF VAAL RIVER

## Borehole Results

The following results were obtained in Borehole G.Z.1 situated on the common boundary of the farms Grootvadersbosch No. 470 and Zuipung No. 394, in the district of Viljoenskroon, drilled by Free State Development and Investment Corporation Limited on joint account with this company.

The Vaal Reef was intersected at a depth of 6,991 feet and six deflections were made. Recovery of core was complete in the original intersection and the third deflection. The following tabulation sets out the values obtained.

	Dwt.	Width (inches)	Inch- dwt.
Original intersection	5.16	33.3	172
1st deflection	18.89	26.9	508
2nd deflection	29.20	27.9	815
3rd deflection	2.68	30.9	83
4th deflection	13.44	25.0	336
5th deflection	16.00	24.5	392
6th deflection	8.61	30.9	266

## Additional Borehole

The company has agreed to participate jointly with Free State Development and Investment Corporation Limited in the drilling by that corporation of an additional borehole, G.Z.2, to be sited on the common boundary of the farms Grootvadersbosch No. 470 and Zuipung No. 394, at a point approximately 9,000 feet south of borehole G.Z.1.

## LEASE AREA

## Borehole Result

The drilling of borehole AL4, sited in the extreme north-eastern section of the lease area on the farm Lotgeval, was completed in October, 1960. The borehole intersected a fault at a depth of 4,100 feet, passed into footwall quartzites, and was stopped at a depth of 6,066 feet in intrusive diorite.

## URANIUM

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

The uranium content of the company's residue slimes has not been sufficient to enable it to participate in the Orange Free State Joint Uranium Production Scheme.

## BRAKPAN MINES, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	434,000	434,000
Ounces fine	53,096	52,433
Yield per ton—dwt.	2.45	2.42
Cost per ton milled	28s. 9d.	28s. 5d.
Profit per ton milled	2s. 4d.	1s. 10d.
Working profit	£51,173	£39,601

The estimated total working profit for the year ended 31st December, 1960, was £163,563 (31st December, 1959—£128,136).

## FINANCIAL

Taxation and State's share of profits—estimated £9,800 £3,241  
Capital recoupments £2,819 —

## DEVELOPMENT

Footage driven	5,885	6,915
Feet sampled	3,845	5,040
Feet payable	635	760
Percentage payability	16.5	15.1
Average value—dwt. per ton	11.30	9.27
Width—inches	75.29	74.85
Equivalent inch-dwt.	851	694

## ORE RESERVES

	31st Dec., 1960	31st Dec., 1959
Tons	1,340,000	1,593,000
Average value—dwt.	4.87	4.79
Stoping width—inches	56.32	53.59

## WELKOM GOLD MINING COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold	1960	1960
Tons milled	294,000	302,000
Ounces fine	93,604	95,781
Yield per ton—dwt.	6.37	6.34
Cost per ton milled	65s. 3d.	63s. 5d.
Profit per ton milled	15s. 7d.	16s. 0d.
Uranium (Joint Production Scheme)		
Lb. apportioned	60,271	63,731
Yield per ton on lb. apportioned	0.261	0.274
<b>WORKING RESULTS</b>		
Gold—Working profit	£229,702	£241,877
Uranium (estimated)		
Treatment costs	£133,253	£118,929
Working profit	£172,800	£172,496
Total Working Profit	£402,502	£414,373
<b>FINANCIAL</b>		
Capital Expenditure—Gold and uranium, including contribution towards capital cost of Pres. Steyn uranium plant, less recoupments	Cr. £16,570	£16,670
Taxation		
No taxation and no share of profits are as yet payable to the State.		
Interest charges (excluding interest on Uranium Loans)	£40,500	£51,006
Loan repayments		
5 per cent debentures	£4,829	£262,578
Uranium Loans (comprising redemption and interest)	£127,645	£127,646
<b>DEVELOPMENT</b>		
Footage driven	20,789	20,269
Feet sampled	5,000	4,830
Feet payable (gold)	3,675	3,805
Percentage payability (gold)	73.5	78.8
Average gold value—dwt. per ton	88.91	70.40
Average uranium oxide value—lb. per ton	3.27	2.83
Width—inches	5.45	6.64
Equivalent inch-dwt.	485	467
Equivalent inch-lb.	17.84	18.77

**URANIUM**  
Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold	1960	1960
Tons milled	306,000	309,500
Ounces fine	141,751	140,286
Yield per ton—dwt.	9.26	9.07
Cost per ton milled	66s. 5d.	65s. 5d.
Profit per ton milled	51s. 4d.	48s. 0d.
Uranium		
Uranium oxide produced—lb.	110,251	167,297
Yield per ton treated—lb.	0.758	0.723
<b>WORKING RESULTS</b>		
Gold—Working profit	£785,248	£742,397
Uranium (estimated)		
Treatment costs	£124,288	£118,698
Working profit	£423,079	£418,401
Total Working Profit	£1,208,327	£1,160,798
The estimated total working profit for the year ended 31st December, 1960, was £4,578,451 (31st December, 1959, £4,333,978).		
<b>FINANCIAL</b>		
No taxation and no share of profits are as yet payable to the State.		
Capital expenditure	£790,818	£656,099
Uranium Loan Repayments (including interest)	£70,158	£70,158
<b>DEVELOPMENT</b>		
Footage driven	26,704	25,364
Feet sampled	8,420	6,850
Feet payable	6,495	5,450
Percentage payability	77.1	79.6
Average gold value—dwt. per ton	63.25	72.61
Average Uranium oxide value—lb. per ton	4.89	5.02
Width—inches	10.53	8.58
Equivalent inch-dwt.	666	623
Equivalent inch-lb.	51.52	43.06
<b>SHAFT SINKING</b>		
No. 2 Ventilation Shaft		
The shaft was sunk 236 feet to a depth of 6,868 feet (final depth).		
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average gold value—dwt.	3,325,000	2,950,000
Stopping width—inches	9.86	9.36
Average uranium oxide value—lb.	0.797	0.744

**URANIUM**  
Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## DAGGAFONTEIN MINES, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold	1960	1960
Tons milled	660,000	691,000
Ounces fine	133,721	139,975
Yield per ton—dwt.	4.05	4.05
Cost per ton milled	31s. 4d.	31s. 1d.
Profit per ton milled	20s. 2d.	19s. 7d.
Uranium		
Uranium oxide produced—lb.	136,737	127,922
Yield per ton treated—lb.	0.355	0.364
<b>WORKING RESULTS</b>		
Gold—Working profit	£664,424	£676,643
Uranium (Estimated)		
Treatment costs	£201,738	£216,340
Working profit	£378,447	£370,497
Sulphuric Acid—Working profit	£46,132	£46,132
Total Working Profit	£1,089,028	£1,093,272
The estimated total working profit for the year ended 31st December, 1960, was £4,399,264 (31st December, 1959, £4,462,286).		
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	£614,895	£614,964
Uranium Loan Repayments (including interest)	£140,776	£140,776
Capital expenditure	Cr. £3,379	Cr. £15,176
<b>DEVELOPMENT</b>		
Main Reef Leader		
Footage driven	4,518	4,461
Feet sampled	3,850	4,020
Feet payable	1,675	1,800
Percentage payability	43.5	44.8
Average gold value—dwt. per ton	19.55	22.07
Width—inches	19.16	18.59
Equivalent inch-dwt.	375	410
Kimberley Reef		
Footage driven	4,481	4,390
Feet sampled	4,080	3,950
Feet payable	1,545	1,675
Percentage payability	37.9	42.4
Average gold value—dwt. per ton	12.89	12.70
Average uranium oxide value—lb. per ton	1.15	1.02
Width—inches	29.56	39.47
Equivalent inch-dwt.	381	501
Equivalent inch-lb.	34.08	40.38
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average gold value—dwt.	7,576,200	8,847,500
Stopping width—inches	5.10	5.15
Average uranium oxide value—lb. (Kimberley Reef)	43.52	43.29
	0.385	0.375

**URANIUM**  
Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold	1960	1960
Tons milled	297,500	300,000
Ounces fine	61,794	62,263
Yield per ton—dwt.	4.15	4.15
Cost per ton milled	42s. 5d.	41s. 11d.
Profit per ton milled	10s. 4d.	10s. 0d.
Working profit	£154,094	£149,506
The estimated total working profit for the year ended 31st December, 1960, was £561,414 (31st December, 1959, £644,495).		
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	£4,903	£1,905
Capital expenditure	£170,876	£171,441
<b>DEVELOPMENT</b>		
Mining Lease Area		
Footage driven	4,975	6,476
Feet sampled	3,485	4,460
Feet payable	1,415	1,715
Percentage payability	40.6	38.5
Average value—dwt. per ton	15.13	13.91
Width—inches	27.55	28.89
Equivalent inch-dwt.	417	402
Outside Mining Lease Area—(Withok No. 131 I.R.)		
Footage driven	7,700	11,647
Feet sampled	3,615	4,515
Feet payable	1,250	1,865
Percentage payability	34.6	41.3
Average value—dwt. per ton	19.45	25.83
Width—inches	28.27	24.64
Equivalent inch-dwt.	550	636
<b>No. 3 SHAFT SYSTEM</b>		
During the quarter No. 3A shaft was sunk 1,085 feet to a depth of 3,687 feet below the collar.		
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average value—dwt.	3,344,300	3,569,500
Stopping width—inches	6.13	5.93
	44.61	44.58



## PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	352,000	352,500
Ounces fine	280,736	285,589
Yield per ton—dwt.	15.95	16.20
Cost per ton milled	62s. 1d.	61s. 7d.
Profit per ton milled	140s. 8d.	141s. 3d.
Uranium (Joint Production Scheme)		
Lb. apportioned	54,288	57,509
Yield per ton on lb. apportioned	0.203	0.219
<b>WORKING RESULTS</b>		
Gold—Working profit	£2,475,239	£2,490,064
Uranium (estimated)		
Treatment costs	£156,527	£120,506
Working profit	£131,150	£130,765
Total Working Profit	£2,606,389	£2,620,829
<b>FINANCIAL</b>		
Taxation and State's Share of Profit (estimated)	£1,268,250	£1,169,000
Capital Expenditure—Gold and uranium including contributions towards capital cost of President Steyn and Welkom uranium plants	£416,526	£640,460
<b>DEVELOPMENT</b>		
Footage driven	21,156	19,329
Feet sampled	2,405	2,550
Feet payable	1,940	2,270
Percentage payability	80.7	89.0
Average gold value—dwt. per ton	108.67	152.46
Average uranium oxide value—lb. per ton	2.33	2.79
Width—inches	6.49	5.84
Equivalent inch-dwt.	705	890
Equivalent inch-lb.	15.09	16.28

**BOREHOLE RESULT**  
During the quarter under review the following information was published regarding the reef intersection in borehole S.P.7:  
Borehole S.P.7 on the farm Stuurmanspan, situated 6,900 feet due south of No. 2 Sub-Vertical shaft, intersected the Basal Reef at a depth of 5,849 feet, assaying 3.03 dwt. of gold per ton, over a width of 13.5 inches, equivalent to 41 inch-dwt.

A hanging wall leader intersected at 5,846 feet assayed 7.7 dwt. per ton, over a width of 8.5 inches, equivalent to 65 inch-dwt.

The core was very sheared, but core recovery was complete.

In two deflections the Basal Reef was intersected, with the following results:  
First deflection: At 5,846 feet, assaying 0.4 dwt. of gold per ton over a corrected width of 10.9 inches, equivalent to 4 inch-dwt.

Second deflection: At a depth of 5,851 feet, assaying 29.3 dwt. of gold per ton over a corrected width of 5.2 inches, equivalent to 152 inch-dwt.

**URANIUM**  
Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

## WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

	Quarter ended 31st December, 1960	Quarter ended 30th September, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	401,500	425,500
Ounces fine	115,105	120,767
Yield per ton—dwt.	5.73	5.68
Cost per ton milled	54s. 5d.	52s. 3d.
Profit per ton milled	18s. 5d.	18s. 9d.

London Office : 40 Holborn Viaduct, E.C.1  
12th January, 1961.

and capital expenditure was not appreciated early enough. Today it is, of course, generally the policy of all the groups, as far as possible to ensure that taxation and capital expenditure do not interfere with normal dividend growth.

### A New Factor in "Break-Ups"

In the hands of a South African investor normal dividends are not taxable and there is no great advantage to him in receiving capital repayments from a mine

entering the final stages of "break-up", so that differences of opinion can well arise at company meetings between the interests of British and South African investors.

Thus there are at present in South Africa some investment companies which by their articles of association are prevented from distributing to their shareholders in the form of dividend any revenue received by them as capital repayments. These companies therefore prefer a continuing dividend to the very final stages of a mine's operation, and their holdings in a number of the break-up

mines are such that they have been able to insist that no capital repayments are made.

Thus the British investor looking particularly for tax-free capital repayments must ensure that these repayments are not likely to be blocked by South African investors. It appears at present that the only manner in which this problem could be overcome is if the holdings of such investment companies were to be bought out *en bloc*.

(Continued on page 26)

## WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED—Continued

Uranium		
Uranium oxide produced—lb.	168,311	159,373
Yield per ton treated—lb.	0.359	0.343
<b>WORKING RESULTS</b>		
Gold—Working profit	£369,702	£399,755
Uranium (estimated)		
Treatment costs	£279,412	£273,790
Working profit	£427,174	£432,407
Sulphuric acid		
Working profit	£49,213	£48,312
Total Working Profit	£846,089	£880,474
The estimated total working profit for the year ended 31st December, 1960, was £3,490,585 (31st December, 1959—£3,195,754).		
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	£411,092	£401,000
Uranium loan repayments (including interest)	£169,182	£169,182
Capital expenditure	£217,805	£99,820
<b>DEVELOPMENT</b>		
Mining Lease Area (including Goedgenoeg area).		
(a) Ventersdorp Contact and Elsburg Reefs:		
Footage driven	2,345	4,255
Feet sampled	745	1,300
Feet payable	385	700
Percentage payability	51.7	53.8
Average gold value—dwt. per ton	11.48	9.56
Average uranium oxide value—lb. per ton	0.34	0.35
Width—inches	39.26	51.36
Equivalent inch-dwt.	451	491
Equivalent inch-lb.	13.20	18.18
(b) Vaal Reef:		
Footage driven	10,163	10,672
Feet sampled	3,485	3,170
Feet payable	2,355	1,990
Percentage payability	67.6	62.8
Average gold value—dwt. per ton	67.08	57.08
Average uranium oxide value—lb. per ton	4.26	3.79
Width—inches	10.61	9.59
Equivalent inch-dwt.	712	547
Equivalent inch-lb.	45.22	36.36
Nooitgedacht Area (including the portion over which an application for a mining lease has been made)—Results of development on Ventersdorp Contact and Elsburg Reefs.		
Footage driven	9,655	10,193
Feet sampled	3,325	4,300
Feet payable	1,395	2,670
Percentage payability	42.0	62.1
Average gold value—dwt. per ton	10.67	11.87
Average uranium oxide value—lb. per ton	0.35	0.35
Width—inches	53.34	48.29
Equivalent inch-dwt.	569	573
Equivalent inch-lb.	18.44	16.83
<b>ORE RESERVES</b>		
Tons	31st Dec., 1960	31st Dec., 1959
Average gold value—dwt.	4,146,600	4,573,200
Average width—inches	7.15	6.85
Average uranium oxide value—lb.	44.02	45.06
Additional ore reserve developed in prospect licences outside mining lease area (Nooitgedacht area).	0.61	0.59
Tons	1,915,300	1,137,300
Average gold value—dwt.	5.64	6.18
Average width—inches	62.31	57.01
Average uranium oxide value—lb.	0.23	0.22

### No. 4 SHAFT

Construction work on the shaft collar and headgear foundations is well advanced and the shaft has been sunk a further 17 feet by the outside contractors to a depth of 82 feet below the collar.

### MINING LEASE

The mining lease over an area of 622.3167 claims on the farm Goedgenoeg No. 433 in the district of Klerksdorp was registered on 31st December, 1960.

### URANIUM

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission, and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

For and on behalf of  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED,  
R. V. FRITCHARD, Joint London Secretary.

# JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

## MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st December, 1960 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER.

(All Companies mentioned are incorporated in the Union of South Africa)

**GENERAL REMARKS**—The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves.

### THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

<b>ISSUED CAPITAL</b> ..... £4,063,553 (Divided into 4,063,553 shares of £1 each, fully paid)		<b>URANIUM LOANS</b> Balance of Loans outstanding at end of Quarter .....		£3,022,852	£3,206,345
		<b>DEVELOPMENT</b>			
<b>OPERATIONS</b>		Total Development—feet .....		25,954	26,760
<b>Gold Division</b>		<b>Gold Division</b>			
Tons Milled .....		Development—feet .....		64	629
Gold Produced—ounces fine .....		Sampled—feet .....		65	555
Yield per ton milled—dwts. ....		Payable—feet .....		35	385
Cost per ounce .....		Percentage payable .....		7.9	6.6
Revenue per ton milled .....		Value—dwts. ....		36	40
Cost per ton milled .....		Width inches .....		284	344
Profit per ton milled .....		Inch-dwts. ....			
Revenue from Gold and Sundry Revenue .....		<b>Uranium Division—Bird Reef Series</b>			
Less: Working Costs .....		Development—feet .....		25,890	26,131
<b>OPERATING PROFIT</b> .....		Sampled:			
£1,931		Feet .....		5,375	6,045
<b>Uranium Division</b>		Value—uranium—lbs. ....		2.3	2.6
Tons Milled .....		Value—gold—dwts. ....		3.7	4.0
Cost per ton milled .....		Width—feet .....		21	19
Uranium Oxide produced—lbs. ....		Inch-lbs.—uranium .....		48	49
Yield per ton milled—lb. ....		Inch-dwts.—gold .....		78	76
Uranium Oxide sold—lbs. ....		Payable:			
Gold produced—ounces fine .....		Feet .....		*2,735	*3,070
Revenue from Uranium Oxide sold, subject to		Percentage .....		51	51
future adjustment .....		Value—uranium—lbs. ....		3.4	3.5
Less: Net Mine Working Costs (i.e. after deducting		Value—gold—dwts. ....		5.7	5.4
Sundry Revenue and Revenue from Gold in		Width—feet .....		20	19
Uranium Ore) and Treatment Costs attributable to Uranium Oxide sold .....		Inch-lbs.—uranium .....		68	67
1,630,782		Inch-dwts.—gold .....		114	103
Profit on Uranium Oxide sold .....		<b>ORE RESERVES</b>			
Net Revenue from Acid sold .....		<b>Gold Division</b>			
<b>OPERATING PROFIT</b> .....		Tons .....		At 31st Dec., 1960	At 31st Dec., 1959
£518,613		Value—dwts. ....		100,000	285,000
<b>RESULTS OF OPERATIONS</b>		Width—feet .....		4.9	4.7
Combined Operating Profit for quarter—Gold and		Inch-dwts. ....		230	240
Uranium Divisions .....		<b>Uranium Division</b>			
This Last		Tons .....		*2,007,000	*1,921,000
Quarter Quarter		Value—uranium—lbs. ....		1.3	1.3
£146,000 £141,000		Value—gold—dwts. ....		1.6	1.7
Less: Estimated Taxation .....		Width—feet .....		32	32
Contribution towards cost of		Inch-lbs.—uranium .....		42	42
Atomic Energy Board's		Inch-dwts.—gold .....		51	54
Uranium Research Programme .....					
14,303 14,413					
Provision for Interest on and					
repayment of Uranium					
Loans .....					
215,086 215,086					
Capital Expenditure .....					
8,783 6,351					
<b>BALANCE OF PROFIT FOR QUARTER</b> .....					
£136,372					

\* In the case of the Uranium Division payability is based on the combined Gold and Uranium content.

**URANIUM**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to the discussions. These agreements have not yet been concluded but shareholders will be advised of the new arrangements as soon as possible.

### GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED LIMITED

<b>ISSUED CAPITAL</b> ..... £70,000 (Divided into 5,600,000 shares of 3d. each, fully paid)		Net Revenue from Gold Mining, Treatment of old residues and Salvage Operations and Sundry Revenue .....		£683	£1,075
		Net Revenue from Pyrite .....		79,368	79,451
		<b>TOTAL PROFIT FOR QUARTER</b> .....		£80,051	£80,526
<b>OPERATIONS</b>		Less:			
Tons Milled .....		Estimated Taxation and Government Share of Profits .....		£13,200	£13,200
Gold recovered from current milling—ounces fine .....		Provision for Interest on and repayment of Pyrite Loans .....		10,350	10,350
Recovery per ton—dwts. ....		Capital Expenditure .....		Nil	Nil
Gold recovered from old residues—ounces fine .....				23,550	23,550
<b>RESULTS OF OPERATIONS</b>		<b>BALANCE OF PROFIT FOR QUARTER</b> .....		£56,501	£56,976
Revenue from Gold, Silver and Osmiridium, including revenue from sales of gold derived from the treatment of old residues .....		<b>PYRITE LOANS</b>			
Rents and Sundry Revenue .....		Balance of Loans outstanding at end of quarter .....		£143,660	£152,507
Revenue from Sales of Salvaged Plant and Equipment .....		<b>DEVELOPMENT</b>			
£386,086		Total Development—feet .....		Nil	Nil
9,112					
6,789					
£401,987		<b>ORE RESERVES</b>			
£417,137		Tons .....		At 31st Dec., 1960	At 31st Dec., 1959
401,304		Value—dwts. ....		152,000	328,000
Less: Working Costs .....		Width—feet .....		6.2	5.9
				72	71

## WESTERN AREAS GOLD MINING COMPANY LIMITED

AUTHORISED AND ISSUED CAPITAL ... £8,270,000. 0.0.  
PAID-UP CAPITAL ... £6,580,423.12.6.  
(Divided into 12,034,463 units of stock of 10s. each, fully paid,  
and 4,505,537 shares of 10s. each, 2s. 6d. per share paid.)

During the quarter under review the paid up capital was increased from £4,890,847 5s. 0d. to £6,580,423 12s. 6d. by the call in December, 1960, of 7s. 6d. per share on one-half of the 9,011,074 then partly paid shares. Progress at the mine is ahead of the schedule drawn up at the time of the flotation of the company. Development has commenced and it is likely that the mine will be brought into production at least twelve months earlier than was originally estimated. While the originally estimated total cost of bringing the mine into production remains unchanged, the satisfactory progress at the mine has resulted in a rapid absorption of funds and arrangements have now been made to call up on 1st March, 1961, 7s. 6d. per share on 3,970,761 partly paid shares, yielding the sum of £1,489,035.

### SHAFT SINKING AND EQUIPPING:

#### Main Shaft

Shaft Sinking	944 feet
Advance for quarter	4,507 feet
Depth at 31st December, 1960	
Concrete Lining	930 feet
Advance for quarter	4,455 feet
Depth at 31st December, 1960	5,000 feet
Estimated final depth of shaft	

Four main stations, viz., 41, 43 45 and 48 levels at elevations of 3,615, 3,840, 4,080 and 4,335 feet below collar were cut and concreted. In addition the first and second intermediate loading stations were excavated and concreted.

The total footage advanced during the quarter on station cutting and development incidental to station layout was 1,565 feet.

#### Ventilation Shaft

Development commenced at this shaft in October 1960 on 36 and 38 levels. The total footage accomplished during the quarter on these two levels, including ore passes and development incidental to station layout, amounted to 3,615 feet.

On 38 level, Ventersdorp Contact Reef and Elsburg Conglomerates were exposed in a number of development ends in the Shaft Pillar Area.

In 38 Main Crosscut North the Ventersdorp Contact Reef was exposed and also the Elsburg Conglomerates over a horizontal distance of 315 feet. The thickness of the Elsburg Conglomerates was approximately 67 feet measured at right-angles to the plane of the reef bands intersected. This measurement includes waste bands between the conglomerates. The total thickness of the reef bands excluding the internal waste was approximately 48 feet.

The results of the sampling of the reef bands in 38 Main Crosscut North referred to above, given in the order of their succession from the Ventersdorp Contact Reef downwards were as follows:

Development End	Reef	Distance Sampled on Reef Feet	Average Reef Width Inches	Average Value Dwt.	Average Inch-dwts.
38 Main Crosscut North	Ventersdorp Contact Reef	15	83	9.3	771
	Elsburg Bands	30	87	16.6	1,444
		15	120	6.4	768
		15	64	2.8	179
		10	29	3.0	87
		10	22	0.5	12
		10	59	5.1	301
		35	49	1.8	88
		20	25	2.5	63
		50	116	2.6	302

The individual results of the sampling of various intersections of Ventersdorp Contact Reef and of Elsburg Bands in other excavations are given below. The Elsburg Bands have not as yet been correlated.

Development End	Reef	Distance Sampled on Reef Feet	Average Reef Width Inches	Average Value Dwt.	Average Inch-dwts.
38 Orepass Sink	Elsburg	5	76	20.5	1,558
		5	82	4.5	369
38-36 Orepass	V.C.R.	5	68	0.5	34
pass	Elsburg	5	76	18.0	1,368
		5	100	3.3	330
38 Crosscut W No. 1	Elsburg	5	40	1.7	68
		25	27	3.5	94
		10	40	3.3	132
38 Crosscut W No. 2	Elsburg	5	52	2.8	146
		5	34	2.0	68
38 Crosscut S to Main Shaft	Elsburg	20	40	0.9	36
		30	58	2.2	128
		15	66	6.2	409
		20	20	4.5	90
		30	22	2.7	59
		5	49	2.8	137
		25	90	1.7	153
		5	60	4.1	246
		25	41	3.7	152

### NON-EUROPEAN ACCOMMODATION:

Work is nearing completion on the compound buildings to provide sufficient accommodation for the development and initial stopping period.

### MINE SERVICES:

The work on the main compressor station, the cooling ponds and one of the main fans continues to make good progress.

### EXPENDITURE:

Capital Expenditure during the quarter amounted to £592,000 bringing the total capital expenditure to 31st December, 1960, to £5,331,000, which sum includes expenditure incurred in establishing the mine as well as the cost of the Mining Lease, Freehold Property, Mineral Rights. Prospecting expenditure, preliminary and share issue expenses.

## FREDDIES CONSOLIDATED MINES, LIMITED

ISSUED CAPITAL ... £16,359,913  
(Divided into 16,359,913 shares of £1 each, fully paid)

	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS</b>		
Gold		
Tons Milled	181,000	192,000
Gold Produced—ounces fine	39,115	40,775
Yield per ton milled—dwts.	4.32	4.25
Cost per ton milled	67s. 1d.	64s. 5d.
Uranium—O.F.S. Joint Production Scheme:		
Tonnage apportioned to this Company	184,784	193,191
Production apportioned—lbs.	53,135	61,344
Yield per ton on lbs. apportioned	.288	.318
Sales of Uranium Oxide—lbs.	53,135	61,344

### RESULTS OF OPERATIONS

Revenue from Gold and Sundry Revenue	£510,063	£521,565
Less: Working Costs	607,286	618,537
<b>LOSS ON GOLD MINING</b>	£97,223	£96,972
Uranium—Revenue from Uranium sold (subject to future adjustment)	£248,686	£236,339
Less: Share of Joint Treatment Charges apportioned to this Company from O.F.S. Joint Production Scheme for the quarter	101,911	99,258
	146,775	137,081
<b>PROFIT</b>	£49,552	£40,109
Deduct: Contribution towards capital cost of O.F.S. Joint Production Scheme	34,775	34,081
<b>TOTAL OPERATING PROFIT FOR QUARTER</b>	£14,777	£6,028
Less:	This Quarter	Last Quarter
Interest payable on amounts advanced to the Company	£12,042	£12,320
Contribution towards cost of Atomic Energy Board's Uranium Research Programme	1,965	1,965
Capital Expenditure	Nil	Nil
	14,007	14,285

### EXCESS OF INCOME OVER EXPENDITURE FOR QUARTER (Last Quarter—Deficit)

	£770	£8,257 (Deficit)
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### LOANS

During the quarter under review, £50,000 was repaid to the National Finance Corporation of South Africa in reduction of the loan of £600,000 from that Corporation. The balance of the loan, namely, £550,000, is repayable in instalments which fall due between January and April 1961. As the cash resources of the Company are insufficient to meet these repayments, the Company has obtained short-term loan facilities from Johannesburg Consolidated Investment Company, Limited, to enable it to meet the repayments as they fall due.

### DEVELOPMENT

Total Development—feet	7,662	8,549
Sampled:		
Feet	665	1,645
Value—gold—dwts.	40.3	44.8
Value—uranium—lbs.	3.8	3.1
Width—inches	6	6
Inch-dwts.—gold	242	269
Inch-lbs.—uranium	23	19
Payable:		
Feet	*355	*895
Percentage	53	54
Value—gold—dwts.	54.5	60.2
Value—uranium—lbs.	4.8	3.9
Width—inches	6	6
Inch-dwts.—gold	327	361
Inch-lbs.—uranium	29	23

### ORE RESERVES

	At 31st Dec., 1960	At 31st Dec., 1959
Tons	*800,000	*1,005,000
Value—gold—dwts.	5.3	5.5
Value—uranium—lbs.	.34	.33
Width—inches	40	40
Inch-dwts.—gold	212	220
Inch-lbs.—uranium	13.6	13.2

\* Payability is based on the combined Gold and Uranium content.

### URANIUM

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to the discussions. These agreements have not yet been concluded but shareholders will be advised of the new arrangements as soon as possible.



# THE EAST CHAMP D'OR GOLD MINING COMPANY LIMITED

<b>ISSUED CAPITAL</b> £259,875 (Divided into 2,079,000 shares of 2s. 6d. each, fully paid)		
	Quarter ended 31st Dec., 1960	Quarter ended 30th Sept., 1960
<b>OPERATIONS</b>		
Tons Milled	37,600	36,500
Cost per ton milled	52s. 3d.	52s. 6d.
Uranium Oxide produced—lbs.	28,531	30,263
Uranium Oxide sold—lbs.	28,531	30,263
Yield per ton milled—lb.	759	829
Gold produced—ounces fine	920	1,029
Yield per ton milled—dwt.	.489	.564
<b>RESULTS OF OPERATIONS</b>		
Uranium Division		
Revenue from Uranium Oxide sold, subject to future adjustment	£140,649	£136,334
Less: Net Mine Working Costs (i.e. after deducting Sundry Revenue and Revenue from Gold in Uranium Ore), Treatment Costs and Rental Charges	118,392	113,705
	£22,257	£22,629
Gold Division		
Profit from the milling of 4,500 (last quarter, 4,600) tons arising from reclamation operations on the Main Reef series	445	861
<b>TOTAL OPERATING PROFIT FOR QUARTER</b>	£22,702	£23,490
Less:	This Quarter	Last Quarter
Estimated Taxation	£6,300	£6,800
Contribution towards cost of Atomic Energy Board's Uranium Research Programme	967	857
Provision for interest on and repayment of Uranium Loans	3,905	3,905
Capital Expenditure	Nil	Nil
	11,172	11,562
<b>BALANCE OF PROFIT FOR QUARTER</b>	£11,530	£11,928

<b>URANIUM LOANS</b>		
Balance of Loans outstanding at end of Quarter	£57,547	£60,853
<b>DEVELOPMENT</b>		
Development—feet	2,728	2,748
Sampled:		
Feet	1,640	1,875
Value—uranium—lbs.	1.7	1.7
Value—gold—dwts.	1.4	1.5
Width—inches	16	15
Inch-lbs.—uranium	27	26
Inch-dwts.—gold	22	23
Payable:		
Feet	*545	*590
Percentage	33	31
Value—uranium—lbs.	3.1	3.0
Value—gold—dwts.	2.7	2.6
Width—inches	15	15
Inch-lbs.—uranium	47	45
Inch-dwts.—gold	41	39
<b>ORE RESERVES</b>		
<b>Bird Reef Series</b>		
Tons	At 31st Dec., 1960	At 31st Dec., 1959
Value—gold—dwt.	*84,000	*132,000
Value—uranium—lbs.	.8	.9
Width—inches	1.2	1.2
Width—inches	29	30
Inch-dwts.—gold	23	27
Inch-lbs.—uranium	35	36
* Payability is based on the combined Gold and Uranium content.		

## URANIUM

Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to the discussions. These agreements have not yet been concluded but shareholders will be advised of the new arrangements as soon as possible.

10 & 11, Austin Friars, London, E.C.2.  
10th January, 1961.

For and on behalf of,  
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED  
D. L. REYNOLDS, Secretary.

# SPAARWATER GOLD MINING COMPANY LIMITED

(Incorporated in the Union of South Africa)

## REPORT OF THE DIRECTORS For the Quarter ended 31st December, 1960

Tons milled	32,800	
Total yield ounces fine	10,314	
Total yield per ton (dwt.)	6.289	
		Per Ton Milled s. d.
Working Revenue	£131,421	80 2
Cost of Mining and Milling	103,014	62 10
Excess of Revenue over Cost of Mining and Milling	28,407	17 4
Expenditure on Development	24,814	15 2
Working Profit	3,593	2 2
Expenditure on Capital Account		Nil
Government Taxes		Nil

## DEVELOPMENT

**Main Reef.** The total footage advanced during the quarter amounted to 2,889 feet. The footage sampled amounted to 2,710 feet, of which 810 feet, equal to 29.9 per cent proved payable at an average value of 7.8 dwt. per ton over an estimated stopping width of 46.3 inches, equivalent to 361 inch-dwt.

Not included above is 1,040 feet of development advanced by The Sub Nigel Limited in the Spaarwater lease area under a tribute agreement with that Company. The footage sampled amounted to 900 feet, of which 240 feet, equal to 26.7 per cent, proved payable at an average value of 5.1 dwt. per ton over an estimated stopping width of 40.3 inches, equivalent to 206 inch-dwt.

**Western Section of Mine—Development** in the Western Section continued during the quarter. The footage sampled amounted to 1,800 feet, of which 415 feet, equal to 23.1 per cent, proved payable at an average value of 10.3 dwt. per ton over an estimated stopping width of 37.8 inches, equivalent to 389 inch-dwt.

In addition, 676 feet were advanced under prospecting permission in the area outside the western boundary of the mine. The footage sampled amounted to 385 feet, of which 60 feet, equal to 15.6 per cent, proved payable at an average value of 4.8 dwt. per ton over an estimated stopping width of 40.4 inches, equivalent to 194 inch-dwt.

Development returns show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied.

## Ore Reserve at 31st December, 1960

The ore reserve fully developed at 31st December, 1960, based on a pay limit calculated to conform approximately to existing conditions in respect of gold price and working costs is estimated to be 254,000 tons averaging 5.7 dwt. per ton over a stopping width of 36.9 inches, equivalent to 210 inch-dwt.

By Order of the Board,  
E. A. O'CONNOR, London Secretary.

London Office: 120 Moorgate, London, E.C.2.  
13th January, 1961.

# WITWATERSRAND NIGEL, LIMITED

(Incorporated in the Union of South Africa)

## REPORT OF THE DIRECTORS For the Quarter ended 31st December, 1960

## PRODUCTION

Tons Milled	59,400	
Yield (in oz. fine)	13,171	
Yield per Ton Milled (dwts.)	4.434	
		Per Ton Milled s. d.
Working Revenue	£167,343	56 4
Working Costs	153,014	51 6
Working Profit	14,329	4 10
Add: Sundry Revenue	2,025	
NET PROFIT	£16,354	

(\*232s. 4d. per oz. fine)

## CAPITAL EXPENDITURE

There was a net recoupment of Capital Expenditure during the Quarter amounting to £1,811.

## DEVELOPMENT

Development Footage	4,643 feet
Footage on Reef	3,179 feet
Footage Sampled	3,165 feet

The payable reef disclosures were as follows:—  
895 feet, or 28.3%, averaging 8.34 dwts. per ton over a width of 29.31 inches, equivalent to 244 inch-dwts.  
(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserve.)

Development operations in the No. 3 Shaft area (Burghersright Reserve) were seriously hampered by the intersection of strong water-bearing fissures requiring cementation.

By Order of the Board,

E. A. O'CONNOR, London Secretary.

London Office: 120 Moorgate, London, E.C.2.  
18th January, 1961.

# GOLD FIELDS GROUP COMPANIES

49 MOORGATE, LONDON, E.C.2.

## Directors' Reports of Gold Mining Companies operating in the Union of South Africa, for Quarter ended 31st December, 1960.

(All Companies mentioned are incorporated in the Union of South Africa, unless otherwise stated.)

### WEST WITWATERSRAND AREAS LIMITED.

The total footage drilled during the quarter amounted to 4,329 feet. The borehole situation at the end of December, 1960, is set out in the following tabulation:—

Borehole No.	Farm	Depth in feet at 31st Dec., 1960	Advance during Quarter (ft.)	Geological Division Traversed	Rock Types Encountered
21	Reitfontein No. 349	8,898	1,083	Ventersdorp System Witwatersrand System	Lava and Ventersdorp Contact Reef Quartzites, grits, conglomerates and intrusive
22	Doornkloof No. 350	7,542	1,056	Witwatersrand System	Quartzites, grits, conglomerates and intrusive
E.8K	Kleinfontein No. 141	716	Nil	—	—
E.8L	Kleinfontein No. 141	4,303	701	Dolomite Series Black Reef Series Witwatersrand System	Dolomite, chert, carbonaceous shale and quartzite fault blocks Quartzites and grits Argillaceous quartzites; quartzites, grits and small pebble conglomerate bands
E.10E	Gerhardminnebron No. 139	5,862	1,489	Witwatersrand System	Quartzites, grits, conglomerates, shales, intrusives and mylonites

Further details are as follows:—

**BOREHOLE No. 21**—This borehole continued in Ventersdorp lava to a depth of 8,490 feet, where it intersected the Ventersdorp Contact Reef assaying 41.2 dwt. over a corrected width of 32.0 inches, equivalent to 1,318 inch-dwt. Below the Ventersdorp Contact Reef the borehole proceeded in coarse-grained quartzites which probably belong to the Upper Witwatersrand System and contain occasional grits and narrow conglomerate bands. One of these bands, intersected at a depth of 8,837 feet, assayed 4.7 dwt. over a corrected width of 65 inches, equivalent to 306 inch-dwt. A further band, intersected at a depth of 8,849 feet, assayed 4.7 dwt. over a corrected width of 49 inches, equivalent to 230 inch-dwt. These reef bands are physically not robustly developed, but both contain carbon seams and a few specks of visible gold occur in the lower band. Core recovery was incomplete as the core was badly broken with considerable loss through grinding.

Correlation of these reef bands must await the intersection of a recognisable marker.

On completion of the borehole it will be deflected to obtain further intersections of these reef bands and also of the Ventersdorp Contact Reef. At 8,882 feet the borehole entered a syenitic intrusive within which it was still in progress at the end of the quarter.

**BOREHOLE No. 22**—Drilling in this borehole continued in coarse-grained quartzites containing grits and occasional small-pebble conglomerate bands. The gold content of these conglomerates is generally low, the best value disclosed, at a depth of 7,019 feet, being 4.9 dwt. per ton over a corrected width of 35.3 inches, equivalent to 173 inch-dwt. An intrusive occurred within the quartzites between 7,124 and 7,194 feet, and at 7,463 feet the borehole entered a syenite intrusive within which drilling was still in progress at the end of the quarter.

**BOREHOLE No. E.8K**—After the re-drilled borehole had reached a depth of 470 feet the jumper drill was removed from the site and a diamond drill is presently being installed to continue the borehole.

**BOREHOLE No. E.8L**—The formation traversed in this borehole consisted of dolomite with chert and carbonaceous shale bands to a depth of 3,950 feet. From 3,829 to 3,920 feet there occur fault-blocks of Witwatersrand-type quartzite interspersed with blocks of dolomite.

The Black Reef Series, or portion thereof, was intersected between 3,950 and 3,970 feet. It comprises a succession of quartzites with some gritty bands with a negligible gold content.

At 3,970 feet the borehole entered fine-grained quartzites interbedded with shaly bands which persist to a depth of 4,175 feet. These fine-grained and shaly quartzites probably represent the lower portion of the Kimberley Shale horizon. Below 4,175 feet the quartzites become coarser grained and interspersed with narrow grit and small-pebble conglomerate bands with negligible gold content.

**BOREHOLE No. E.10E** This borehole continued to a depth of 5,480 feet in Upper Witwatersrand coarse-grained quartzites, which contain grits and small-pebble conglomerate bands with negligible gold content, and which, between 5,232 and 5,480 feet, are highly broken and contain much mylonite as well as several intrusives. At 5,480 feet the borehole passed into fine-grained quartzites which occur below the Carbon Leader horizon, and at 5,706 feet it entered shale which is probably the Jeppetown Top Shale. Drilling was still in progress within this shale at the end of the quarter and will be continued to the Jeppetown Amygdaloid to confirm the correlation.

The Main Reef was not recognised in this borehole, and the Carbon Leader was not intersected. The latter, together with an unknown thickness of Upper Witwatersrand quartzites, was eliminated either at 5,480 feet or a short distance above. The advisability of deflecting the borehole to explore further for the Carbon Leader will be considered after drilling to the Jeppetown Amygdaloid has been completed.

**DIVIDEND**—A dividend (No. 24) of 2s. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### RIETfontein CONSOLIDATED MINES LTD.

#### OPERATIONS

	Quarter ended 31st Dec., 1960	Year ended 31st Dec., 1960
Tons milled	43,000	183,500
Total yield ounces fine	10,438	47,429
Yield per ton milled (dwt.)	4.855	5.169
Working Revenue per ton milled	62s. 0d.	65s. 0d.
Working Expenditure per ton milled	59s. 0d.	58s. 7d.
Working Profit per ton milled	3s. 0d.	6s. 5d.
Working Revenue	£133,351	£596,369
Working Expenditure	126,970	537,265
Working Profit	£6,381	£59,104
Capital Expenditure	Nil	£2,631
Taxation	Nil	£1,000

#### DEVELOPMENT

South Reef		
Footage Sampled	220	1,590
Payable—Footage	60	535
Per Cent	27.3	33.6
Stope Width (in.)	44.6	45.6
Inch-dwt.	268	287
Main Reef		
Footage Sampled	930	2,490
Payable—Footage	380	750
Per Cent	40.9	30.1
Stope Width (in.)	43.4	49.6
Inch-dwt.	443	466
Total Development		
Footage Advanced	4,620	15,323
Footage Sampled	1,690	5,085
Payable—Footage	520	1,595
Per Cent	30.8	31.4
Stope Width (in.)	38.8	49.3
Inch-dwt.	388	380

Included in the total footage sampled for the quarter is 375 feet sampled on a hanging wall reef in the eastern area of the mine, of which 30 feet, equal to 8.0 per cent., proved payable, averaging 176 inch-dwt. over an estimated stoping width of 43.0 inches, and 165 feet sampled on North Reef, of which 50 feet, equal to 30.3 per cent., proved payable averaging 268 inch-dwt. over an estimated stoping width of 44.7 inches.

#### ORE RESERVE at 31st December, 1960.

Tonnage	Width (in.)	Value (dwt./ton)	Inch-dwt.
101,000	56.4	5.7	321

**REPAYMENT OF CAPITAL**—A repayment of capital (No. 6) of 7.2d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### DOMINION REEFS (KLERKSDORP) LIMITED.

(Incorporated in England) (Head Office: Johannesburg)

#### PRODUCTION

	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
Tons from slimes dumps	66,800	140,510
Tons from Mine	55,800	109,090
Total tons treated in leaching plant	122,600	249,600
Total yield uranium oxide (lb.)	135,107	270,912
Yield per ton treated uranium oxide (lb.)	1.102	1.086
Uranium oxide sold (lb.)	123,721	260,550
*Working Revenue (subject to adjustment)	£528,042	£1,062,911
Working Expenditure—		
Mining and Milling	£136,181	£275,711
Treatment Costs	140,861	291,200
Working Profit	£251,000	£496,000

\* Includes revenue from gold.

Taxation	£106,329	£215,024
State's Share of Profit	£4,321	£8,821
Capital Expenditure	£2,496	£10,846
Uranium Loan Instalment	£79,844	£159,688

**URANIUM CONTRACT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

#### DEVELOPMENT

Dominion Reef		
Footage Advanced	3,291	7,625
Footage Sampled	3,110	6,900
Payable—Footage	2,540	4,960
Per Cent	81.7	71.9
Stope Width (in.)	36.0	36.4
Inch-lb—Uranium oxide	73.8	72.4

**DIVIDEND**—A dividend (No. 17) of 1s. 3d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### VLAKFONTEIN GOLD MINING COMPANY LIMITED.

	Quarter ended 31st Dec., 1960	Year ended 31st Dec., 1960
<b>OPERATIONS</b>		
Tons milled	152,000	617,000
Total yield ounces fine	55,337	222,349
Yield per ton milled (dwt.)	7.281	7.207
Working Revenue per ton milled	92s. 7d.	90s. 6d.
Working Expenditure per ton milled	57s. 0d.	56s. 2d.
Working Profit per ton milled	35s. 7d.	34s. 4d.
Working Revenue	£703,438	£2,793,090
Working Expenditure	432,761	1,733,652
Working Profit	£270,677	£1,059,438
Capital Expenditure	£777	£2,695
Taxation	£112,482	£499,524
<b>DEVELOPMENT</b>		
Main Reef		
Footage Advanced	9,271	39,015
Footage Sampled	8,180	32,910
Payable—Footage	3,110	13,655
Per Cent	38.0	41.5
Stope Width (in.)	44.0	42.0
Inch-dwt.	392	365

#### ORE RESERVE AT 31st DECEMBER, 1960

Tonnage	Width (in.)	Value (dwt./ton)	Inch-dwt.
1,698,000	41.4	7.9	327

**DIVIDEND**—A dividend (No. 35) of 1s. 1.2d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### LIBANON GOLD MINING COMPANY LTD.

	Quarter ended 31st Dec., 1960	Six months ended 31st Dec., 1960
<b>OPERATIONS</b>		
Tons milled	349,000	700,000
Total yield ounces fine	83,877	167,708
Yield per ton milled (dwt.)	4.807	4.792
Working Revenue per ton milled	61s. 3d.	60s. 6d.
Working Expenditure per ton milled	48s. 9d.	48s. 6d.
Working Profit per ton milled	12s. 6d.	12s. 0d.
Working Revenue	£1,068,588	£2,117,455
Working Expenditure	851,071	1,697,657
Working Profit	£217,517	£419,798
Capital Expenditure	£192,800	£299,442
Taxation	Nil	Nil
<b>DEVELOPMENT</b>		
Main Reef		
Footage sampled	6,485	14,335
Payable—Footage	5,035	10,755
Per Cent	77.6	75.0
Stope Width (in.)	46.4	50.2
Inch-dwt.	264	281
Contact Reef		
Footage sampled	2,380	4,850
Payable—Footage	1,950	3,660
Per Cent	61.9	75.5
Stope Width (in.)	45.7	45.8
Inch-dwt.	370	389
<b>Total Development</b>		
Footage Advanced	19,543	41,692
Footage Sampled	8,865	19,185
Payable—Footage	6,985	14,415
Per Cent	78.8	75.1
Stope Width (in.)	46.2	49.1
Inch-dwt.	296	309

**HARVIE-WATT SHAFT**—During the quarter this shaft was sunk a distance of 258 feet to a final depth of 6,590 feet. Work in connection with the equipping of the shaft is in progress.

**DIVIDEND**—A dividend (No. 20) of 4.8d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED.

**PRODUCTION**—Trial milling commenced on 1st October, 1960, and continued throughout the quarter.

Tons milled	95,000
Working Revenue	£212,406
Stopping and Milling Costs	£105,696
Excess of Revenue over Stopping and Milling Cost	£106,710
Expenditure on Capital Account	
Expenditure on Development	£495,072
Expenditure on Plant and Equipment	£273,139
Total	£768,211

#### DEVELOPMENT

	Quarter ended 31st Dec., 1960	Six months ended 31st Dec., 1960
<b>Basal Reef</b>		
Footage Advanced	17,112	38,510
Footage Sampled	4,895	8,760
Payable—Footage	3,360	6,280
Per Cent	68.6	71.7
Stope Width (in.)	50.9	50.9
Inch-dwt.	310	326

**REDUCTION WORKS**—Construction work on both plant and buildings progressed satisfactorily.

**HOUSING**—A total of 414 houses has been authorized in Virginia Township. Of this number 377 have been built.

**NATIVE ACCOMMODATION**—Work in connection with extensions to the accommodation for non-European employees is progressing.

### ROBINSON DEEP LIMITED.

	Quarter ended 31st December, 1960	Year ended 31st December, 1960
<b>OPERATIONS</b>		
Tons milled	135,500	538,000
Total yield ounces fine	30,508	119,613
Yield per ton milled (dwt.)	4.503	4.447
Working Revenue per ton milled	57s. 3d.	55s. 11d.
Working Expenditure per ton milled	54s. 8d.	55s. 1d.
Working Profit per ton milled	2s. 7d.	0s. 10d.
Working Revenue	£387,641	£1,503,535
Working Expenditure	370,342	1,481,117
Working Profit	£17,299	£22,418
Capital Expenditure	Cr. £2,306	Cr. £7,120
Taxation	Nil	Nil

**SALE OF PROPERTY**—During the quarter the Company sold freehold aggregating 39.7074 morgen being portions of the farms Turfontein No. 175 and Booyens Estate Nos. 100 and 101 for a consideration of £60,000. This amount will be payable in cash against registration of transfer.

**TRIBUTING AGREEMENT WITH VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED**—In terms of an agreement with Village Main Reef Gold Mining Company (1934) Limited that Company has commenced working on a royalty basis in the area above 10 Level in the Turf Section of this Company's property, but as yet no revenue has accrued to this Company from these operations.

#### DEVELOPMENT

<b>Main Reef Leader</b>		
Footage Sampled	405	2,060
Payable—Footage	365	1,365
Per Cent	90.1	66.3
Stope Width (in.)	53.2	50.7
Inch-dwt.	383	335
<b>South Reef</b>		
Footage Sampled	—	165
Payable—Footage	—	80
Per Cent	—	48.5
Stope Width (in.)	—	43.8
Inch-dwt.	—	201
<b>Total Development</b>		
Footage Advanced	1,138	4,708
Footage Sampled	405	2,225
Payable—Footage	365	1,445
Per Cent	90.1	64.9
Stope Width (in.)	53.2	50.3
Inch-dwt.	383	327

#### ORE RESERVE AT 31st DECEMBER, 1960

Tonnage	Width (in.)	Value (dwt./ton)	Inch-dwt.
360,000	54.2	5.2	282

### SIMMER AND JACK MINES LIMITED.

	Quarter ended 31st December, 1960	Year ended 31st December, 1960
<b>OPERATIONS</b>		
Tons milled	216,000	899,000
Total yield ounces fine	38,770	159,979
Yield per ton milled (dwt.)	3.590	3.559
Working Revenue per ton milled	45s. 9d.	44s. 9d.
Working Expenditure per ton milled	45s. 3d.	45s. 7d.
Working Profit per ton milled	6d. Loss	0s. 10d.
Working Revenue	£494,125	£2,012,108
Working Expenditure	488,858	2,050,699
Working Profit	£5,267	Loss £38,591
Capital Expenditure	Cr. £2,324	Cr. £4,161
Taxation	Nil	Nil
<b>DEVELOPMENT</b>		
<b>Main Reef</b>		
Footage Sampled	570	5,920
Payable—Footage	150	1,755
Per Cent	26.3	29.6
Stope Width (in.)	45.8	50.5
Inch-dwt.	362	288
<b>Main Reef Leader</b>		
Footage Sampled	540	3,440
Payable—Footage	200	745
Per Cent	37.0	21.7
Stope Width (in.)	38.0	38.8
Inch-dwt.	213	248
<b>Total Development</b>		
Footage Advanced	3,057	12,619
Footage Sampled	1,385	10,590
Payable—Footage	500	3,030
Per Cent	36.1	28.6
Stope Width (in.)	40.6	47.6
Inch-dwt.	264	276

Included in the total footage sampled for the quarter is 275 feet sampled on South Reef, of which 150 feet, equal to 54.5 per cent, proved payable averaging 236 inch-dwt. over an estimated stoping width of 38.7 inches.

#### ORE RESERVE AT 31st DECEMBER, 1960

Tonnage	Width (in.)	Value (dwt./ton)	Inch-dwt.
362,000	43.6	4.5	196



## WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED.

PRODUCTION	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
<b>Gold</b>		
Tons milled	390,000	780,000
Total yield ounces fine	364,594	728,477
Yield per ton milled (dwt.)	18.697	18.679
Working Revenue per ton milled	238s. 5d.	236s. 0d.
Working Expenditure per ton milled	69s. 1d.	68s. 6d.
Working Profit per ton milled	169s. 4d.	167s. 6d.
Working Revenue	£4,649,930	£9,203,655
Working Expenditure	1,348,656	2,670,290
Working Profit	£3,301,274	£6,533,365
<b>Uranium Oxide</b>		
Tons treated in leaching plant	140,000	286,500
Total yield uranium oxide (lb.)	45,296	93,202
Yield per ton treated uranium oxide (lb.)	0.324	0.325
Uranium oxide sold (lb.)	39,032	86,938
Revenue (subject to adjustment)	£199,367	£400,643
Service Fee received from Doornfontein Gold Mining Company Limited	25,004	47,955
Treatment Costs	77,371	154,598
Profit	£147,000	£294,000
Total Working Profit	£3,448,274	£6,827,365
Capital Expenditure	£820,236	£1,323,416
Uranium Loan Instalment	£75,600	£151,200
State's Share of Profit	£451,809	£914,110
Taxation	£1,177,664	£2,371,442

**URANIUM CONTRACT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

DEVELOPMENT	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
<b>Carbon Leader</b>		
Footage Advanced	8,175	16,956
Footage Sampled	1,785	3,195
Payable—Footage	1,755	3,155
Per Cent	98.3	98.7
Stope Width (in.)	42.1	42.1
Inch-dwt.—Gold	943	842
Inch-lb.—Uranium oxide	15.6	15.6
<b>Ventersdorp Contact Reef</b>		
Footage Advanced	8,981	17,737
Footage Sampled	2,875	5,720
Payable—Footage	2,300	4,600
Per Cent	80.0	80.4
Stope Width (in.)	43.5	43.7
Inch-dwt.—Gold	487	520
Inch-lb.—Uranium oxide		

In addition, 717 feet were advanced during the quarter in the area held under prospecting permit.

**NO. 4 SHAFT**—During the quarter this shaft was sunk a distance of 636 feet to a total depth of 3,721 feet. In addition the excavations of stations to serve 8 and 10 levels were completed.

The erosion feature of the Carbon Leader horizon which was encountered in the development east of No. 3 Shaft has persisted at No. 4 Shaft, and no typical Carbon Leader was intersected below the Main Reef. This was not unexpected.

**DIVIDEND**—A dividend (No. 16) of 2s. 10.8d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

## THE SUB NIGEL LIMITED.

OPERATIONS	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
Tons milled	197,000	396,500
Total yield ounces fine	44,990	90,571
Yield per ton milled (dwt.)	4.568	4.569
Working Revenue per ton milled	58s. 3d.	57s. 8d.
Working Expenditure per ton milled	53s. 5d.	53s. 0d.
Working Profit per ton milled	4s. 10d.	4s. 8d.
Working Revenue	£573,699	£1,143,764
Working Expenditure	525,732	1,050,972
Working Profit	£47,967	£92,792
Capital Expenditure	£274	£296
Taxation	Nil	£2,764

DEVELOPMENT	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
<b>Main Reef</b>		
Footage Advanced	3,895	8,354
Footage Sampled	3,540	7,450
Payable—Footage	22.9	21.4
Per Cent	38.1	39.0
Stope Width (in.)	37.3	38.6

**SPAARWATER TRIBUTE AREA**—In addition 1,040 feet were advanced in the area during the quarter. Of the 900 feet sampled, 240 feet, equal to 26.7 per cent., proved payable averaging 206 inch-dwt. over an estimated stoping width of 40.3 inches.

**REPAYMENT OF CAPITAL**—A repayment of capital (No. 5) of 1s. 3d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

## VENTERSPOST GOLD MINING COMPANY LIMITED.

OPERATIONS	Quarter ended 31st Dec., 1960	Six months ended 31st Dec., 1960
Tons milled	358,000	732,000
Total yield ounces fine	100,750	205,226
Yield per ton milled (dwt.)	5.628	5.607
Working Revenue per ton milled	71s. 10d.	70s. 10d.
Working Expenditure per ton milled	58s. 7d.	58s. 0d.
Working Profit per ton milled	13s. 3d.	12s. 10d.
Working Revenue	£1,285,082	£2,593,555
Working Expenditure	1,048,634	2,125,238
Working Profit	£236,448	£468,317
Capital Expenditure	£82,934	£150,818
Taxation	£49,166	£110,867

DEVELOPMENT	Quarter ended 31st Dec., 1960	Six months ended 31st Dec., 1960
<b>Main Reef</b>		
Footage Sampled	5,180	10,630
Payable—Footage	3,360	6,160
Per Cent	64.9	57.9
Stope Width (in.)	58.2	56.5
Inch-dwt.	343	345
<b>Contact Reef</b>		
Footage Sampled	1,715	3,910
Payable—Footage	1,060	2,795
Per Cent	61.8	71.5
Stope Width (in.)	50.3	49.2
Inch-dwt.	533	576
<b>Total Development</b>		
Footage Advanced	16,286	34,646
Footage Sampled	6,895	14,540
Payable—Footage	4,420	8,955
Per Cent	64.1	61.6
Stope Width (in.)	56.3	54.2
Inch-dwt.	388	417

**DIVIDEND**—A dividend (No. 42) of 1s. 0d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

## DOORNFONTEIN GOLD MINING COMPANY LIMITED.

PRODUCTION	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
<b>Gold</b>		
Tons milled	315,000	630,000
Total yield ounces fine	129,911	259,130
Yield per ton milled (dwt.)	8.248	8.226
Working Revenue per ton milled	105s. 1d.	103s. 10d.
Working Expenditure per ton milled	60s. 3d.	60s. 2d.
Working Profit per ton milled	44s. 10d.	43s. 8d.
Working Revenue	£1,654,708	£3,271,633
Working Expenditure	949,028	1,895,066
Working Profit	£705,680	£1,376,567
<b>Uranium Oxide</b>		
Tons treated in leaching plant	79,000	151,500
Total yield uranium oxide (lb.)	23,979	45,038
Yield per ton treated uranium oxide (lb.)	0.304	0.297
Uranium oxide sold (lb.)	20,839	41,898
Revenue (subject to adjustment)	£114,223	£221,636
Treatment Costs	£45,219	£84,681
Service Fee paid to West Driefontein Gold Mining Company Limited	£25,004	£47,955
Profit	£44,000	£89,000
Total Working Profit	£749,680	£1,465,567
Capital Expenditure	£339,002	£554,973
Uranium Loan Instalment	£9,900	£19,800
State's Share of Profit	Nil	Nil
Taxation—Provision for six months based on estimate of total tax payable in respect of current financial year	Nil	£180,000

**URANIUM CONTRACT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

DEVELOPMENT	Quarter ended 31st Dec., 1960	Six months ended 31st Dec., 1960
<b>Carbon Leader</b>		
Footage Advanced	15,337	29,089
Footage Sampled	4,930	9,775
Payable—Footage	4,570	9,075
Per Cent	92.7	92.8
Stope Width (in.)	41.1	41.1
Inch-dwt.—Gold	584	571
Inch-lb.—Uranium oxide	12.3	11.5

**No. 2 SHAFT**—During the quarter work commenced on the excavations for the shaft collar. At the end of the period under review the excavations had reached a depth of 37 feet below collar.

**DIVIDEND**—A dividend (No. 8) of 1s. 4.8d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

## THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED.

(Incorporated in England) (Head Office: Johannesburg)

PRODUCTION	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
Main Reef Section		
Tons milled	201,000	405,000
Total yield ounces fine	35,279	71,131
Yield per ton milled(dwt.)	3.510	3.513
Working Revenue per ton milled	44s. 10d.	44s. 5d.
Working Expenditure per ton milled	42s. 10d.	42s. 11d.
Working Profit per ton milled	2s. 0d.	1s. 6d.
Working Revenue	£450,260	£898,973
Working Expenditure	430,563	868,177
Working Profit	£19,697	£30,796
Bird Reef Section		
Tons milled for gold and treated in leaching plant	150,000	306,000
Total yield gold ounces fine	4,568	9,233
Total yield uranium oxide (lb.)	187,725	371,763
Yield per ton treated—uranium oxide (lb.)	1.252	1.215
Uranium oxide sold (lb.)	171,218	355,256
Working Revenue (Subject to adjustment)	£776,041	£1,567,394
Working Expenditure:		
Mining and Milling	£423,001	£856,887
Treatment Costs	85,040	172,507
Working Profit	508,041	1,029,394
Total Working Profit	£287,697	£568,796
Taxation	£95,914	£191,491
Capital Expenditure	Cr. £2,733	Cr. £5,843
Uranium Loan Instalment	£88,500	£177,000

**URANIUM CONTRACT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded but shareholders will be advised of the new arrangements as soon as possible.

### DEVELOPMENT

Main Reef Section (Gold)	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
Main Reef		
Footage Sampled	740	1,470
Payable—Footage	290	530
Per Cent	39.2	36.1
Stope Width (in.)	44.2	41.8
Inch-dwt.	287	280
South Reef		
Footage Sampled	865	1,785
Payable—Footage	505	1,220
Per Cent	58.4	68.3
Stope Width (in.)	34.0	34.0
Inch-dwt.	241	245
Total Main Reef Section (Gold)		
Footage Advanced	7,180	14,912
Footage Sampled	2,215	4,215
Payable—Footage	1,135	2,330
Per Cent	51.2	55.3
Stope Width (in.)	38.1	36.7
Inch-dwt.	255	246
Included in the total footage sampled for the quarter is 610 feet sampled on Battery Reef, of which 340 feet, equal to 55.7 per cent, proved payable averaging 246 inch-dwt. over an estimated stopping width of 39.1 inches.		
Bird Reef Section (Uranium)		
Total Bird Reef		
Footage Advanced	18,101	37,894
Footage Sampled	6,055	11,570
Payable—Footage	3,915	6,890
Per Cent	64.7	59.6
Stope Width (in.)	38.3	37.5
Inch-dwt.—Gold	57	56
Inch-lb.—Uranium Oxide	92.7	88.1

**DIVIDEND**—A dividend (No. 61) of 1s. 0d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

**NOTES.**—The development returns of the above Mining Companies show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied. Copies of the report of Dominion Reef's (Klerksdorp) Ltd., may be obtained from the London Secretaries, 1 Broad Street Place, E.C.2, and those of the other companies from the Joint London Secretaries, 49 Moorgate, E.C.2.

## VOGELSTRUISBULT GOLD MINING AREAS LIMITED.

PRODUCTION	Quarter ended 31st Dec., 1960	Year ended 31st Dec., 1960
Gold		
Tons milled	250,000	1,020,000
Total yield ounces fine	53,064	218,736
Yield per ton milled (dwt.)	4.245	4.289
Working Revenue per ton milled	54s. 3d.	54s. 1d.
Working Expenditure per ton milled	49s. 6d.	49s. 4d.
Working Profit per ton milled	4s. 9d.	4s. 9d.
Working Revenue	£677,684	£2,759,214
Working Expenditure	617,885	2,516,500
Working Profit	£59,799	£242,718
Uranium Oxide and Pyrite		
Tons treated in leaching plant	119,100	478,600
Total yield uranium oxide (lb.)	52,944	210,225
Yield per ton treated uranium oxide (lb.)	0.445	0.439
Uranium oxide sold (lb.)	46,929	207,360
Total pyrite produced and sold (tons)	8,503	31,759
Revenue (subject to adjustment)	£259,352	£1,089,385
Treatment Costs	101,352	445,385
Working Profit	£158,000	£644,000
Total Working Profit	£217,799	£886,714
Taxation	£33,538	£281,603
Capital Expenditure	£5,356	£4,116
Uranium Loan Instalment	£72,000	£288,000

**URANIUM CONTRACT**—Discussions have taken place between representatives of the South African Atomic Energy Board, the United States Atomic Energy Commission and the United Kingdom Atomic Energy Authority on new arrangements for the sale of South Africa's uranium oxide. Negotiations are now proceeding on new agreements to give effect to these discussions. These agreements have not yet been concluded, but shareholders will be advised of the new arrangements as soon as possible.

### DEVELOPMENT

Main Reef	Quarter ended 31st Dec., 1960	6 months ended 31st Dec., 1960
Footage Sampled	4,670	18,505
Payable—Footage	995	4,815
Per Cent	21.3	26.0
Stope Width (in.)	41.5	40.8
Inch-dwt.—Gold	332	298
Inch-lb.—Uranium oxide		
Kimberley Reef		
Footage Sampled	3,010	13,890
Payable—Footage	1,055	3,530
Per Cent	35.0	25.4
Stope Width (in.)	43.4	43.0
Inch-dwt.—Gold	356	301
Inch-lb.—Uranium oxide	21.7	15.5
Total Development		
Footage Advanced	9,184	40,073
Footage Sampled	7,680	32,395
Payable—Footage	2,050	8,345
Per Cent	26.7	25.8
Stope Width (in.)	42.5	41.7
Inch-dwt.—Gold	344	300

### ORE RESERVE AT 31st DECEMBER, 1960

Classification	Tonnage	Stope Width (in.)	GOLD dwt./ton	URANIUM OXIDE lb./ton
Main Reef	747,000	39.9	4.9	196
Kimberley Reef	632,000	44.5	4.7	209
Total and Averages	1,379,000	41.9	4.8	201

**REPAYMENT OF CAPITAL**—A repayment of capital (No. 4) of 8.4d. per share was declared on 13th December, 1960, payable on or about 17th February, 1961.

### Uranium Contracts

The quarterly announcements have made it clear that negotiations for the stretch-out and redistribution of the uranium contracts are in progress but no information is available yet as to the detailed arrangements. A statement is anticipated shortly—quite possibly before this issue is in subscribers' hands.

Meanwhile it is of interest to consider the main factors likely to affect the new agreement. It is essential to appreciate that the negotiations were initiated by the South African mining industry, mainly with a view to establishing a more rational distribution of the contracts so as to

extend the life of some of the older mines, and to extend the plant operations, if necessary at a reduced level, until such time as a substantial open market was somewhat more likely to develop. The C.D.A. was therefore in a position to press for certain concessions, mainly it is believed, in the form of a fixed, and probably on average a lower, uranium price in place of the existing system of variable prices calculated according to the costs at individual mines.

The third party to these discussions has, of course, been the South African Treasury, affected both on the basis of foreign exchange earnings and tax revenue. The foreign exchange position is already

serious and the Treasury cannot afford further losses in revenue which are not offset by overseas loans, and which in fact seem certain to form part of the final arrangement. On the question of taxation it is extremely unlikely that there would be a net loss to the State as a result of any stretch-out, but again it might be necessary to modify the budget to account for the initial losses.

Turning to individual contract holders it is virtually impossible to anticipate, in advance of the announcement, who is likely to profit most from a redistribution. On the basis that any revenue received

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from the sale of a contract would be regarded as non-mining revenue (taxable at only 6s. 6d. in the £), it is possible that on "present valuations" those mines selling a substantial contract would receive the greatest direct benefit.

As far as possible contract negotiations will be kept within each particular group, though in some cases outside agreements may have to be arranged. In any event, inter-company arrangements will be complicated by the tax question, the incidence of pyrite and sulphuric acid production, and the complexities of joint schemes.

#### Rand Selection's Metamorphosis

As regards finance companies, the big news of the quarter has, of course, been the announcement of plans for transforming Rand Selection Corporation into a major finance house. This company had long been tipped as the object of a takeover operation within Anglo American, but has in the event turned out instead to be the kernel around which a vast new £100,000,000 finance company is to be established in the Anglo American stable thus adding a fourth to the Anglo American-Rhoanglo-De Beers financing trio.

The primary component of this new group will now be De Beers Investment Trust, at present a subsidiary of De Beers Consolidated and the means whereby large amounts of De Beers capital were channelled into Anglo's O.F.S. gold mines while they were still capital hungry developers. However, before being absorbed by Rand Selection, D.B.I.T. is itself to be enlarged by the transference to it of the greater part of Chartered's holdings in companies in the Union, together with the entire share capital of Rand American Investments, the South African company which represents the Engelhard and International Nickel interests and which also has a substantial stake in Central Mining and Rand Mines. D.B.I.T. will acquire these interests in exchange for a share issue to these interested parties and will also make an issue to J.C.I. (presumably for cash). Subsequently Rand Selection will then itself acquire the entire share capital of D.B.I.T., having first expanded its own issued capital about fourfold to 33,085,000 5s. 6d. shares.

D.B.I.T., and in turn Rand Selection, will take over these various assets at current market prices and it is estimated that Rand Selection's net assets on a market valuation will then be something over £100,000,000, made up as to 44 per cent in gold shares, 30 per cent in mining finance, 9 per cent in copper and base metal, 8 per cent in industrials, 8 per cent in loans, property and current account and 1 per cent in coal.

At the same time, existing Rand Selection shareholders will be invited to participate in a one for ten share issue at a price still to be determined, which — if all taken up — would then give existing Rand Selection shareholders a stake of or about 25 per cent in the enlarged issued capital.

#### A New Investment Force

An important new investment force has thus been created in the South African market at a time when the Union is having increasingly to rely on its own resources for finding new capital. While Rand Selection will not itself seek to initiate new business, it is clear that it will be well placed, both because of its

financial strength and its connections, to participate in projects initiated by others. Moreover it is not difficult to see some of the advantages which may accrue from the proposed arrangement.

First, it is no secret that Sanlam, the large Afrikaans life assurance company, is already a substantial shareholder in Rand Selection and that after reconstruction it will be possible to say the same of Chartered and to a lesser degree of the Engelhard and Inco interests and of Central Mining, Rand Mines and J.C.I. It follows that Rand Selection, in making any future share or rights issue, would be in a position to tap a wide spread of financial interests outside the Anglo American group and, what is of greater importance, partly outside the Union.

This is a matter of considerable significance, bearing in mind Rand Selection's right to a 33½ per cent participation in any new business done by Anglo American (Anglo's new iron ore project in Swaziland provides an immediate example). It should however also be borne in mind that as approximately two-thirds of Rand Selection's enlarged capital looks like being held in one form or another by Anglo American-De Beers interests, the actual participation by outside interests in new Anglo business would in fact only amount to about 10 per cent.

#### Letting Out Kennecott

While on the subject of financial reconstructions, it has long been obvious that Anglo-Vaal could attempt nothing about salvaging the future of Virginia and Merriespruit until Kennecott (as the holder of debentures in the two mines together to the extent of £13,700,000 plus shares for which they probably originally paid about £3,000,000) were prepared to cut their losses and negotiate a release for some smaller sum.

This position has now been reached and the president of Kennecott Copper, Mr. C. R. Cox, has announced the sale of the Kennecott interests in Virginia and Merriespruit to a consortium led by Mr. Charles Englehard, Chairman of Rand Mines and A.S.A.I.C.

Kennecott, for their debentures at £13,700,000 and equity holdings of £2,000,000 (at par) are to receive £3,500,000 in five equal annual instalments starting December 1, 1961, together with a 20 per cent interest in any net income and capital gains of the purchasing company, subject to a maximum under this provision of £2,500,000. Under an agreement with the members of the consortium, Kennecott will have the right, after receiving the £3,500,000 to acquire, if then deemed advisable, 20 per cent of the outstanding stock of the purchasing company upon cancellation of the 20 per cent interest in its income and capital gains.

It is understood that the arrangements between the members of the consortium (viz., Anglo American, Anglo-Vaal, and the Corner House), are such that Harmony will grant to Virginia an area of 397 claims which the Johannesburg market is believed to be valuing at worth £2,500,000 to Harmony over five years. Of this area, about 300 claims lie to the north of the existing Harmony development and the remainder to the south, thus, with possibly a small sub-vertical shaft in the north, Virginia could exploit these areas to the full from existing development. The management of Merriespruit would then pass to Corner House and the mine would then probably be moth-balled until such time as the gold price increase has

become a fact, bearing in mind that the continued pumping operations at Virginia and F.S. Saaiplaas will slowly drain Merriespruit as well.

#### Exploration

Prospecting is probably the only truly competitive aspect of the gold mining industry and it is therefore often difficult to assess, on the information made available, the possibilities of any particular drilling programme. However, it appears that the most promising prospect areas at the moment are those associated with existing fields. The area directly north-west of Winkiehaak continues to be of interest, as do those held by Western Holdings and Freddie Devels' south of the Klerksdorp mines. Both of these may well lead to new flotations in the not too distant future.

South-west of Doornfontein two d-ills, E.8.K. and E.8.L., are at present being sunk in order to establish the continuity of the Carbon Leader, the presence of which has already been established by the line of holes from E.9.A. to G.M.B.I.

Of the new areas, Gold Fields continue their drilling programme south of the West Wits line, but it is still early to assess the potentialities of this area. The value of 1318 inch-dwts. announced by West Wits in the borehole south east of Libanon has aroused considerable speculative interest in the V.C.R. in this area, where J.C.I. and Wit-Brick are also prospecting. Anglo American and Anglo-Vaal are independently prospecting the area west of the O.F.S. field, and nearly all of the groups are participating in one way or another in the north and west quadrant of the Vredefort dome.

#### State of the Industry —

Exploration apart, there is little new to add about the performance of the industry itself, which has continued on the high level of recent quarters. The value of gold production in 1960 was £268,000,000, an increase of £18,000,000 on 1959, and if labour recruitment keeps up, and the sweetener of a slightly higher gold price continues, it is perhaps not unduly optimistic to visualize a similar increase in the present year. Meanwhile, the value of uranium production, even allowing for the expected stretchouts, seems unlikely to decline by more than about £2,000,000 below last year's figure. Moreover, so far as foreign exchange earnings are concerned, this sum is likely to be made good by U.K. loans.

#### — And its Contribution to Financing the Union

Even more spectacular than the rise in the industry's revenue, is the rise in the government's income from tax and lease payments. In 1956 these totalled about £16,500,000. Last year they totalled £32,000,000, a figure which is expected to be doubled by 1964 and to reach the £80,000,000 mark by around 1970. The significance of these figures becomes fully apparent when compared with dividend distributions from the mines, which in 1956 totalled £28,000,000 and in 1960 amounted to around £47,500,000. Thus in the past four years taxation has doubled and will double again in the next four years while the rise in dividend distributions in the past four years has been less than 70 per cent and is fast

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flattening out, so that by 1964 the mines will probably be paying more in tax than they are in dividends.

From one point of view this may be held to be fair enough in that the State has had to wait much longer than has the investor before participating in the profits of the new post-war mines. Moreover, the present economic climate in South Africa is certainly not favourable to tax reductions.

On the other hand it must be remembered that most of the new mines will soon be paying 55 per cent to 66 per cent of their profits in taxation depending upon the grade. All other South African companies are taxed at a flat rate of 6s. 0d. in the £ or 30 per cent apart from diamond mines where the rate is 9s. 0d. or 45 per cent. There is thus at least no justification for increasing the tax revenues by higher

gold mining taxation rather than by an increase in the rates applying to other companies.

At the same time one cannot but sympathise with Dr. Busschau's plea in his annual statement to West Wits shareholders that the government should as a matter of urgency reduce "the unnecessarily heavy burden of a discriminatory rate of gold mining taxation". While it is difficult to agree with his view that a reduction in the tax rate would significantly affect the present attitude of the foreign investor towards Kaffirs, it is abundantly clear that for the time being the gold mining industry is going to have to remain largely self-financing, both in bringing its existing mines to full production and in launching possible new flotations. Thus it is surely a minimum requirement that the tax

collector should leave existing mines with enough profits both to sustain the present pattern of dividend growth and to provide essential new capital for full development. Obviously market sentiment is not going to be helped by government measures which damage existing dividend prospects.

Beyond that, however, we cannot help but feel that, if there are grounds for believing that the government's present racial policies are to be pursued to their logical conclusion, then the best interests of mining shareholders, both inside and outside the Union, seem likely to be served by diverting, whether by reinvestment or taxation, whatever profits the industry can afford into the immediately urgent projects which must form part of any boldly conceived government racial policy.

## HIGHLIGHTS FROM THE QUARTERLIES

Development has begun from the Ventilation shaft at Johnnies' new Western Areas mine. Including ore passes and station lay-out work, 3,615 feet were developed on 36 and 38 levels in the December quarter. The small footages on reef provided encouraging results. On the 38 main crosscut north, V.C.R. sampling gave 771 in. dwt., and elsewhere, values ranged as high as 1,558 in. dwt. (P.21).

Values in the No. 2 shaft area at Free State Geduld were the highest since the March quarter, when 1,657 in. dwt. was achieved. This time, values were 1,618 in. dwt., with payability at almost 99 per cent. Overall, payability rose from 88.9 per cent to 93.5 per cent. (P.17).

Ore reserves showed a highly satisfactory trend at St. Helena. At 5,000,000 tons, they rose by 25 per cent in 1960, while the value of 8.0 dwt. was 0.5 dwt. higher than a year before. December quarter development, however, was unexciting. Although payability improved slightly, values fell from 770 in. dwt. to 639 in. dwt. (P.6).

The Winkelhaak report has continued to disclose good progress. Development values and payability remain little changed from quarter, but ore reserves rose by 1,100,000 tons to 2,700,000 tons, while the average value was up from 5.7 dwt. to 7.2 dwt. (P.7).

The No. 1A shaft at Leslie has reached its final depth of 2,055 feet. The No. 1 shaft had reached 1,602 feet at the end of the quarter, cutting reef at 1,487 feet below collar. The value was 224 in. dwt., closely confirming borehole indications. (P.6).

At Bracken, the No. 1 shaft intersected reef after the end of the quarter at a depth of 2,363 feet. The value of 521 in. dwt. was much as expected. It is officially stated that development on this property should begin "in the near future". (P.7).

With President Steyn continuing to pass through a difficult period, it could not be surprising to see further dividend cuts in the coming year. Capital expenditure in the coming year is estimated at £2,500,000, which is roughly equal to the mine's profit potential in 1960-61. When the New No. 3 shaft is operating, however, it may be possible for the company to pursue a less stringent dividend policy. (P.16).

One of the last acts of the Eisenhower administration was to place an embargo on the holding of gold by American citizens overseas. Reports from major trading centres, however, indicate that, as yet, there are no signs of American hedging ceasing. (P.11).

The recovery in development values at Stillfontein continues. In the December quarter, ore averaging 846 in. dwt. was developed, the highest value for two years. During the quarter, the Toni shaft reached its final depth of 4,286 feet. (P.14).

Development values at Western Holdings at 1,204 in. dwt. showed a fall compared with the previous quarter, although they were higher than those recorded in the two preceding three-month periods. Payability was better than average at 86.9 per cent. (P.17).

Loraine gave its first taste of really good results in the December quarter. Overall values of 897 in. dwt. compared with a previous high in the past three quarters of 474 in. dwt. On the Elsburg series, values reached the exceptional figure of 931 in. dwt. (P.10).

The tempo of development from Western Deeps No. 3 shaft increased sharply, with 960 feet sampled again at only 45 feet in the September three months. Over 60 per cent proved payable, with an average value of 651 in. dwt. (P.17).

After a steady decline in recent years, ore reserves at Durban Deep showed a welcome recovery. This is one of the very few fifty-year-old mines where margins are not under severe pressure. (P.13).

# The Mining Journal

## ANALYSIS OF RAND AND O.F.S. QUARTERLIES

### It's Not All That Bad!

**F**ROM the standpoint of the Kaffir market, the one encouraging indication to have emerged from the painful and depressing discussions on South Africa at the Commonwealth prime ministers' conference is that the political factor shows some signs of being played out, and as in the weeks after Sharpeville, the post-conference drop in the market has primarily been the result of protective marking down by the jobbers and the market has remained extremely thin. In fact on this occasion both the marking down appears to have been sharper and the dealing considerably less than a year ago.

#### Sharper Fall — Less Selling

Thus between March 21 (Sharpeville) and April 12 of last year the combined gold index of Johannesburg's *Financial Mail* fell 8.7 points from a level of 119.4 whereas between March 15 (Commonwealth conference) and April 11 of this year, the fall was 16.4 points from a level of 110.8. Although the price fall in this period was thus nearly double that in 1959, the Johannesburg Stock Exchange turnover in the same period was only a little more than half as heavy.

Moreover in contrast to the post-Sharpeville selling, which was largely from outside the Union, selling since the Commonwealth prime minister's meeting, and more especially since the beginning of April, has been of South African origin, the small amount of London selling having been concentrated mainly on the finance companies, on which London investment interest has largely centred in the past year or so.

#### Why Have South Africans Been Selling?

The real cause underlying South African selling, which appears to have been very largely among private investors, admits of three different explanations, which may each have contributed something to the movement. They can be summarized as respectively psychological, necessitous and tactical.

Psychologically there is no doubt that many South Africans took a far gloomier view of the significance and consequences of the Commonwealth conference than, as will emerge from this article, is justified by the facts. Coming on top of a fifteen month period in which the Kaffir market has been either in continual decline or in brief but uncertain recovery, the urge to get out while there was something to salvage is psychologically understandable, although in a country where you cannot export your

capital abroad, selling out does not itself solve anything.

However, the psychological inclination to go liquid has been supplemented by one or possibly two other factors. One is that the steep fall in share prices has reduced the value of shares pledged as securities against loans and has equally necessitated Johannesburg brokers requiring additional cover in respect of forward share deals (normally sixty or ninety days). These influences have inevitably lead to forced selling which may well continue until the liquidation of vulnerable positions has been completed.

Editorial Comment	1, 7, 19, 22, 23, 24
"M.J." Cumulative Index and Comparative Analysis of all Quarterly Returns	2, 3
Gold Fields Group	4, 5, 6, 7
Anglo American Corporation of South Africa	8, 9, 10, 11
Witwatersrand Nigel	11
Spaarwater Gold Mining	11
General Mining Finance	12, 13
Johannesburg Consolidated	14, 15
Central Mining Finance	16, 17
Union Corporation	18, 19
Anglo-Transvaal Consolidated	20, 21, 22

Finally, a tactical consideration, which may be influencing more knowledgeable investors, is the possibility (discussed more fully on page 7), that South African institutional buying of companies with any substantial foreign shareholding may deliberately be withheld to whatever extent is necessary to depress prices to the point of discouraging foreign sellers. It may be that some South African investors, anticipating a further fall in prices, are selling now to get in again later.

Against this, the second week in April witnessed the heaviest American buying of Kaffirs for a long time, which the market attributed to the high yields now offered.

#### Political Selling Largely Over

Looking back over the past three years, the picture is, of course, much more one of steady disinvestment from non-South Afri-

can centres than of any sudden flood of selling on bad political news, and it now looks as if those investors, who are likely to be stampeded on political considerations, have been largely shaken out of the market and that we are left with the hard core of those who are prepared to hold Kaffirs for their intrinsic worth (or even to buy at current yields) or who still remain unconvinced that juggling with the mechanism of the I.M.F. will provide a permanent substitute for raising the gold price—a subject which we discussed in the leading note in the *Mining Journal* of April 7.

Indeed, the political tap may in any case be running dry, if for no other reason than that, short of direct foreign intervention in South African affairs or extensive outbreaks of civil disturbance inside the Union, the future pattern both of South Africa's foreign relations and of the internal trend in racial policies now seem more clearly discernible than for some time past.

The Sharpeville and Langa riots, it must be remembered, were not in themselves so very different in nature or degree from previous such incidents. Their real significance lay in the much more sensitive reaction to them, both inside and outside South Africa, in consequence of the mounting awareness, on all sides, of the African racial problem as underlined in Mr. Macmillan's wind of change speech.

Along with the mounting recognition in the Union that the racial problem must be tackled, the tightening up of security measures and the break up of "illegal" African political organisations, which took place during the state of emergency, have probably lessened the danger of imminent internal disturbance, either violent or by organised passive resistance. The anniversary of Sharpeville on March 21 passed off without incident, but a more significant pointer in this contest will be the outcome of the demonstrations planned by certain African and Coloured organisations to coincide with the declaration of the Republic on May 31.

#### Economic Consequences of Isolation Overestimated

Externally the record of U.N.O. hardly suggests that South Africa need fear any direct external intervention in her affairs, although the danger cannot be discounted of the operation by some countries of a more effective trade boycott than hitherto. However, quantitatively, this is a less serious threat than might be supposed. Thus gold, which has yet to show itself

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## FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to March 31, 1961 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (£'000)	EARNINGS, DIVIDENDS & YIELD							
				Working Profit		Uranium Profit After Loan Repayment		Taxation and/or Mining Lease		Net Profit After Tax			Earned in current year to date	Paid						Yield on Price 18/6/61 (0/0)
														1959/60		1960/61				
				This	Last	This	Last	This	Last	This	Last			s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
Gold Fields	Doornfontein	9,828,000 (10/-)	9	2157-9	1710-6	102-8	104-9	306-5	—	1954-2	1816-2	1092-2	4 0	1 6	1 6	1 6	1 4 8	11-3		
	Libanon	7,937,300 (10/-)	9	644-6	557-0	—	—	—	—	644-6	559-6	441-1	1 7	3 1	3 1	4 1	4 8	6-6		
	Luipaards Vlei	4,969,105 (2/-)	9	627-7	622-3	(a)	(a)	329-9	332-2	297-8	349-9	Cr. 8-0	1 2	1 0	1 0	1 0	1 0	24-2		
	Rietfontein C.	1,122,252 (3d.)	3	4-4	20-8	—	—	0-1	10-5	4-3	10-3	—	1	10*	1 2*	6*	7-2*	—		
	Robinson	2,000,000 (5/6)	3	4-3	L19-9	—	—	—	—	4-3	L19-9	—	—	—	—	—	—	—		
	Simmer	6,750,000 (1/6)	3	L0-8	L44-1	—	—	—	—	L0-8	L44-1	Cr. 8-3	—	—	6*	—	—	—		
	Sub Nigel	1,771,875 (3d.)	9	128-6	171-4	—	—	3-5	63-4	125-1	121-8	—	1 6	1 6*	1 3*	1 3*	1 3*	—		
	Venterspost	4,900,000 (10/-)	9	706-3	518-5	—	—	184-1	139-7	522-2	388-9	172-6	2 2	10 1	10 1	1 0	1 0	11-1		
	Vlakfontein	6,000,000 (10/-)	3	275-4	258-6	—	—	141-3	130-9	134-1	127-7	0-1	5	11 1	1 0	11 1	1 2	12-6		
	Vogels	5,028,571 (3d.)	3	45-0	64-7	90-5	93-0	86-6	94-7	48-9	63-0	2-3	2	11*	10*	8*	8-4*	—		
W. Drie	14,082,160 (10/-)	9	9723-8	7548-7	216-2	221-2	4798-5	3639-9	5141-5	4131-5	2286-3	7 4	2 1 1	2 4 1	2 7 1	2 10-8	7-1			
Anglo American	Brakpan	4,600,000 (3d.)	3	54-9	34-0	—	—	9-9	3-2	45-0	30-8	Cr. 1-0	2	4 1*	6*	4 1*	6*	—		
	Dagga	7,000,000 (5/-)	3	671-5	684-0	169-8	277-8	623-7	610-3	300-6	351-5	12-2	10 2	3 2	3 2	0 2	0 2	21-3		
	East Dagga	3,730,000 (10/-)	3	127-8	118-3	—	—	53-8	49-2	74-0	69-1	Cr. 1-4	5	7 1	7 1	7 1	9	16-7		
	F.S. Geduld	10,000,000 (5/-)	6	4049-8	3838-9	—	—	372-5	—	3677-3	3838-9	655-1	7 4	4 6	3 6	5 0	3 6	9-2		
	P. Brand	14,040,000 (5/-)	6	4923-0	4945-0	170-0	187-5	2515-7	2317-2	2577-3	2815-3	639-4	3 8	3 0	2 6	3 0	2 6	10-9		
	P. Steyn	14,040,000 (5/-)	6	1025-7	1086-2	230-7	224-3	—	—	1255-4	1310-5	874-2	1 9	1 3	1 0	1 0	9	10-1		
	S. A. Lands	2,475,000 (3/6)	3	150-2	125-2	—	—	2-2	—	148-0	125-2	158-3	1 2	1 3	6	6	6	7-0		
	Springs	10,110,000 (3d.)	3	44-4	45-5	—	—	11-6	11-5	32-8	34-0	Cr. 7-1	1	—	6*	—	6*	—		
	Vaal Reefs	10,500,000 (5/-)	3	784-0	647-5	163-4	361-7	—	—	947-4	1009-2	398-3	1 10	1 6	2 0	1 6	2 0	8-9		
	Welkom	12,250,000 (5/-)	6	406-8	421-6	225-4	219-3	—	—	632-2	640-9	92-1	1	3	3	4 1	3-6	5-1		
W. Holdings	7,496,376 (5/-)	6	5600-3	4618-9	—	—	3168-5	2591-2	2431-8	2027-7	700-3	6 6	5 0	4 0	5 6	4 6	8-5			
W. Reefs	7,000,000 (5/-)	3	407-7	364-5	Dr.13-3	319-0	185-9	350-0	208-5	284-5	226-0	7	1 3	1 3	1 3	1 3	10-5			
Central Mining	Blyvoor	24,000,000 (2/6)	9	5962-0	5693-9	941-7	895-2	3907-9	3854-9	3148-7	3028-3	1015-5	2 7	1 1	1 2	1 3	1 4	9-8		
	City Deep	2,026,832 (£1)	3	13-6	17-2	—	—	0-1	0-1	22-0	24-4	33-4	2	7 1	7 1	7 1	8-4	10-0		
	Cons. M.R.	1,247,602 (£1)	9	31-1	63-1	—	—	7-5	6-8	66-6	112-5	—	1 1	1 6	1 3	1 6	1 6	22-2		
	Crown	1,886,125 (10/-)	3	4-7	29-8	—	—	5-8	13-4	16-1	29-0	—	2	1 9	2 0	2 0	2 0	19-5		
	Durban Deep	2,325,000 (10/-)	3	147-9	150-3	—	—	4-1	23-0	156-6	137-7	68-4	1 4	1 6	1 6	1 6	1 6	12-2		
	E. Rand Prop.	3,960,000 (10/-)	3	177-7	281-7	—	—	0-2	3-0	158-8	279-8	125-9	10	1 9	1 9	1 9	1 6	11-8		
	Harmony	18,000,000 (5/-)	9	2950-0	2266-3	1766-2	1451-8	—	—	4699-5	3678-9	1147-6	5 3	1 3	1 3	1 4 1	4-8	12-2		
	Modder E.	930,805 (£1)	9	6-0	7-2	—	—	Cr.0-6	5-0	23-6	23-5	—	6	6	6	6	6	10-5		
	Rose Deep	700,000 (3d.)	3	4-1	3-2	—	—	0-6	0-4	4-8	4-2	—	2	3 0*	—	3 3*	0	17-4		
	Transvaal G.M.E.	952,500 (3d.)	3	5-4	3-8	—	—	—	—	1-7	0-6	1-6	—	1 0	—	—	—	—		
J.C.L.	E. Champ d'Or	2,079,000 (2/6)	3	15-5	21-1	(a)	(a)	5-2	8-4	10-8	13-4	0-9	1	3	3	3	3	26-7		
	Freddies Cons.	16,359,913 (£1)	3	15-2	L39-0	(a)	(a)	—	—	2-8	L50-9	1-6	—	—	—	—	—	—		
	Govt. G.M.A.	5,600,000 (3d.)	3	L24-7	3-8	—	—	7-5	13-8	34-8	59-2	—	1	6*	9*	1 0*	3*	—		
	Randfontein	4,063,553 (£1)	3	122-6	339-4	(a)	(a)	165-0	157-0	257-3	182-4	13-8	1 3	1 9	2 3	1 3	1 9	16-0		
Union Corporation	E. Geduld	9,000,000 (4/-)	3	665-7	772-6	—	—	355-6	408-5	326-9	377-5	—	9	1 9	1 11	1 8	1 10	20-7		
	Geduld Prop.	1,460,857 (£1)	3	68-4	82-6	—	—	26-6	33-0	48-9	55-9	—	8	4 9	5 0	3 4	3 7	16-3		
	Grootvlei	11,438,816 (5/-)	3	649-9	695-1	—	—	336-2	360-2	331-6	345-5	—	7	1 1	1 5	1 1	5	14-2		
	Marievale	4,500,000 (10/-)	3	364-9	374-1	—	—	180-2	192-7	192-0	184-1	—	10	1 4	1 7	1 6	1 11	14-5		
	St. Helena	9,625,000 (10/-)	3	1190-9	930-4	—	—	619-4	—	579-3	920-2	55-2	1 2	1 9	2 3	2 9	2 3-6	9-0		
	Van Dyk	5,532,000 (3d.)	3	18-3	33-7	—	—	3-5	8-0	19-4	30-6	—	1	1 3*	—	1 6*	—	—		
Winkelhaak	12,000,000 (10/-)	3	518-1	319-5	—	—	—	—	513-4	309-3	219-7	10	—	—	4	6	4-1			
General Mining	Buffelsfontein	11,000,000 (10/-)	9	3098-9	2582-9	1442-2	1487-9	—	—	4541-1	4070-8	2160-3	8 3	1 6	1 9	1 10 1	1 9	10-1		
	Ellaton	787,500 (5/-)	9	190-4	238-0	89-9	143-0	—	—	280-3	381-0	Cr. 0-8	7 1	—	—	—	—	—		
	Stifffontein	13,062,920 (5/-)	3	1277-0	1048-4	56-3	171-0	410-8	412-0	922-5	807-4	612-3	1 5	1 10 1	1 7 1	1 6	1 6	10-2		
	S. Roodepoort	1,420,662 (10/-)	9	202-9	199-1	—	—	83-0	82-0	125-1	128-5	3-0	1 9	1 1 1	1 1 1	1 1 1	1 1 1	12-8		
	W. Rand Cons.	4,250,000 (10/-)	3	495-4	558-3	(a)	(a)	233-5	278-0	275-7	307-6	—	1 0	2 0	2 3	2 0	2 3	24-3		
Anglo-Trial	Hartebeestfontein	9,000,000 (10/-)	9	2872-0	2572-6	1672-6	2094-9	1625-0	1785-0	3009-6	2967-5	1693-4	6 8	3 6	3 0	3 0	2 6	12-1		
	Lorraine	15,363,345 (10/-)	6	L57-9	L134-0	129-8	140-0	—	—	77-9	10-7	630-4	—	—	—	—	—	—		
	Rand Leases	3,600,000 (3d.)	9	9-8	186-2	—	—	6-0	6-5	29-0	209-0	55-3	2	—	1 0*	6*	6*	—		
	Village M.R.	6,068,457 (1/3)	9	L31-4	4-6	—	—	—	—	L18-0	7-2	26-8	—	—	—	—	—	—		
	Virginia	13,278,952 (5/-)	3	L135-8	14-9	149-7	311-3	—	—	91-3	284-4	128-0	2	—	—	—	—	—		
Others	N. Klein	1,735,000 (£1)	3	9-7	3-3	—	—	—	—	9-7	3-3	—	—	—	—	—	—	—		
	Spaarwater	7,974,967 (5/-)	3	1-3	1-6	—	—	—	—	1-3	1-6	—	—	—	—	—	—	—		
	Wit Nigel	7,974,720 (2/6)	9	38-4	40-8	—	—	—	—	45-7	47-3	2-8	1	—	1 1	—	1 1	12-5		

(a) Included under working profit.

(b) And deferred shares.

(c) Adjusted for scrip issue.

- **Capital Repayment.**



## DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to March 31, 1961 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS										MILL THROUGHPUT									
						Payability						Tonnage				Gold Recovered						Working Profit			
			Tons (000)	Value (dwt.)	Inch. dwt.	Ft. Sampled (000)		%		Av. Value (In.-dwt.)		Milled (000)		Cost per Ton		Ounces (000)		Grade (dwt.perton)		Cost per ounce		Per ton		Per oz.	
						This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last
Gold Fields	D'fontein	9	3,004	7.6	313	15.7	23.3	92	92	578	490	965	850	59/5	61/8	398.8	345.8	8.3	8.1	143/10	151/6	44/9	40/3	108/2	98/11
	Libanon	9	2,572	5.0	246	27.5	15.5	76	71	316	342	1,051	999	48/5	47/10	252.9	235.3	4.8	4.7	201/4	203/2	12/3	11/2	51/-	47/4
	Luipaards Vlei	9	1,363	4.5	176	6.6	8.0	61	55	255	256	607	628	N/A	42/7	106.7	110.5	3.5	3.5	N/A	241/11	N/A	1/6	N/A	8/8
	Rietfontein C.	3	101	5.7	321	1.6	1.3	41	28	449	319	36	48	65/3	57/3	9.7	12.6	5.4	5.3	242/1	217/11	2/6	8/8	9/1	33/-
	Robinson	3	360	5.2	282	1.2	0.3	63	48	325	212	124	139	57/8	54/-	28.9	28.4	4.6	4.1	248/4	264/5	8d.	L2/10	3/-	L14/-
	Sirmer	3	362	4.5	196	1.8	5.6	42	27	249	274	209	234	45/9	47/7	38.0	40.9	3.6	3.5	251/8	272/4	L1d.	L3/9	L5d.	L21/7
	Sub Nigel	9	536	8.0	308	10.4	15.8	21	27	367	349	594	594	53/2	53/-	135.4	139.2	4.6	4.7	233/2	225/9	4/4	5/9	19/-	24/8
	Venterspost	9	2,190	6.3	346	20.7	32.8	59	49	423	450	1,088	1,117	58/6	54/3	308.2	283.1	5.7	5.1	206/7	214/-	13/-	9/3	45/10	36/8
	Vlakfontein	3	1,698	7.9	327	7.6	8.2	39	47	452	399	154	153	56/8	55/8	56.8	54.7	7.4	7.1	154/3	155/9	35/8	33/10	97/-	94/7
	Vogels	3	1,379	4.8	201	6.6	8.1	25	25	318	275	243	260	50/3	48/8	51.9	55.6	4.3	4.3	235/2	227/9	3/8	5/-	17/4	23/3
W. Drie	9	3,319	15.7	661	14.7	14.3	90	91	628	808	1,170	970	69/7	73/11	1093.2	888.7	18.7	18.3	74/6	80/9	166/3	155/8	177/10	169/11	
Anglo American	Brakpan	3	1,340	4.9	274	3.5	4.4	13	22	900	666	425	422	28/10	28/9	52.8	51.7	2.5	2.4	231/11	237/2	2/7	1/7	20/10	13/4
	Dagga	3	7,576	5.1	222	7.9	6.6	47	41	342	307	673	693	30/11	30/8	135.8	139.5	4.0	4.0	153/3	152/4	20/-	19/9	98/11	98/1
	E. Dagga	3	4,733	4.6	169	5.0	4.7	25	25	257	321	320	311	35/-	34/9	54.7	52.6	3.4	3.4	205/4	205/4	8/-	7/7	46/9	45/-
	F.S. Geduld	6	3,023	21.4	939	5.6	4.9	96	92	1,484	1,235	570	559	78/-	77/3	495.9	479.2	17.4	17.1	89/10	90/2	142/-	137/4	164/4	160/3
	P. Brand	6	4,174	18.0	972	4.3	4.5	85	88	814	996	712	68	62/4	61/3	564.1	562.8	15.9	16.4	78/8	74/9	138/3	143/11	174/6	175/9
	P. Steyn	6	5,177	8.0	367	5.2	7.7	92	84	402	429	638	604	62/6	62/5	238.5	237.5	7.5	7.9	167/1	158/10	32/2	36/-	86/-	91/6
	S.A. Lands.	3	3,344	6.1	273	6.7	7.5	41	34	374	410	310	284	41/8	43/3	63.4	59.0	4.1	4.2	204/7	207/8	9/8	8/10	47/5	42/5
	Springs	3	615	4.0	173	3.6	4.4	37	27	301	398	278	311	31/7	31/10	38.4	43.2	2.8	2.8	229/5	229/1	3/2	2/11	23/2	21/1
	Vaal Reefs	3	3,325	9.9	394	6.5	8.8	79	79	644	661	308	278	66/4	66/1	143.5	125.1	9.3	9.0	142/8	146/10	50/10	46/7	109/2	103/6
	Welkom	6	4,158	7.6	322	9.2	7.2	80	84	526	451	585	577	66/-	64/5	184.9	182.0	6.4	6.3	208/10	204/1	13/11	14/7	44/-	46/4
W. Holdings	6	5,180	16.8	786	7.4	8.3	81	85	1,196	993	956	853	55/11	56/8	654.0	561.9	13.7	13.2	81/9	86/1	117/2	108/4	171/3	164/5	
W. Reefs	3	6,060	6.6	326	7.4	10.7	60	60	607	650	429	400	54/1	52/3	124.4	112.5	5.8	5.6	186/6	186/-	19/-	18/2	65/6	64/10	
Central Mining	Blyvoor	9	6,103	14.0	602	11.8	13.1	79	78	599	572	1,203	1,148	64/7	64/11	780.6	752.3	13.0	13.1	99/6	99/-	99/1	99/2	152/8	151/4
	City Deep	3	3,151	5.9	236	2.8	4.6	12	48	415	346	338	331	51/3	51/10	69.9	69.9	4.1	4.2	248/2	245/6	10d.	1/1	3/11	4/11
	Cons. M.R.	9	410	7.5	297	1.3	5.8	28	12	394	381	458	785	52/2	46/3	97.2	150.0	4.2	3.8	245/9	241/11	1/4	1/7	6/5	8/5
	Crown	3	4,342	5.2	238	6.3	6.4	15	28	389	309	559	615	43/6	40/6	97.0	101.8	3.5	3.3	251/-	244/7	2d.	1/-	1/-	5/10
	Durban Deep	3	7,794	4.1	235	7.7	12.1	48	48	350	336	562	571	41/-	40/6	103.3	104.2	3.7	3.7	223/4	221/11	5/3	5/3	28/7	28/10
	E. Rand Prop.	3	5,451	5.9	293	4.0	2.5	33	48	435	508	695	652	50/5	55/6	153.4	166.9	4.4	5.1	228/6	216/11	5/1	8/8	23/2	33/9
	Harmony	9	5,030	8.5	433	6.6	11.1	89	72	514	502	1,540	1,284	63/11	64/6	624.0	511.8	8.1	7.9	157/8	161/11	38/4	35/4	94/6	88/7
	Modder E.	9	408	3.9	158	0.8	2.6	38	31	265	186	865	1,221	25/10	24/4	88.7	119.3	2.1	2.0	251/8	249/3	6d.	1d.	1/4	1/2
	Rose Deep	3	132	6.8	303	0.0	0.0	—	—	—	—	69	80	44/4	40/7	12.5	13.2	3.6	3.3	245/4	245/9	1/2	10d.	6/8	4/10
	T'vaal G.M.E.	3	102	12.5	—	0.9	1.3	—	8	—	275	20	21	90/2	71/4	5.4	5.9	5.5	5.6	329/5	255/5	5/6	3/8	20/1	13/-
J.C.L.	E. Ch'p d'Or	3	84	0.8	23	0.8	1.8	42	23	35	40	36	36	52/-	52/5	0.9	0.9	0.5	0.5	—	—	10/9	13/11	—	—
	Freddies Cons.	3	800	5.3	212	1.0	1.0	51	46	373	333	184	173	64/6	73/7	39.6	39.4	4.3	4.6	299/5	322/11	L8/11	L15/2	L41/3	L66/6
	Govt. G.M.A.	3	152	6.2	446	0.0	0.0	—	—	—	—	138	159	56/3	52/3	23.3	26.7	3.4	3.4	333/10	311/-	L3/7	6d.	L21/3	2/10
	Randfontein	3	100	4.9	230	0.0	0.4	—	72	—	342	51	67	46/2	45/4	9.4	12.7	3.7	3.8	—	—	1/-	2/9	—	—
Union Corporation	E. Geduld	3	6,100	5.8	313	1.4	0.0	52	—	180	—	380	401	37/1	35/3	108.9	118.1	5.7	5.9	129/4	119/7	35/-	38/6	122/3	130/10
	Geduld Prop.	3	350	3.7	211	0.8	0.9	20	33	245	411	235	222	34/5	38/5	37.4	40.6	3.2	3.7	216/4	210/1	5/10	7/5	36/7	40/8
	Grootvlei	3	11,500	4.4	216	5.6	5.0	52	55	256	261	640	645	31/10	30/9	132.5	134.7	4.1	4.2	153/11	147/2	20/4	21/7	98/1	103/2
	Marievale	3	5,500	5.1	240	3.2	4.3	34	44	240	221	290	297	36/-	36/1	70.4	72.7	4.8	4.9	148/5	147/5	25/2	25/2	103/9	102/11
	St. Helena	3	5,000	8.0	448	1.9	3.9	55	49	654	729	530	460	43/4	43/-	185.9	153.3	7.0	6.7	123/7	129/-	44/11	40/6	128/1	121/4
	Van Dyk	3	225	3.9	195	0.4	2.4	45	41	316	293	216	215	38/6	39/8	34.4	36.7	3.2	3.4	241/6	232/2	1/8	3/2	10/8	18/4
	Winkelhaak	3	2,700	7.2	432	7.0	6.3	71	89	486	575	279	242	48/10	50/8	95.1	74.3	6.8	6.1	143/2	164/10	37/1	26/5	109/-	85/11
General Mining	Buffelsfontein	9	4,275	9.3	543	19.4	15.8	94	88	629	609	1,329	1,285	59/2	56/7	556.4	496.4	8.3	7.7	141/3	146/5	46/7	40/2	111/5	104/1
	Ellaton	9	153	8.3	349	1.1	1.0	59	50	480	413	240	266	43/7	40/6	56.6	62.0	4.7	4.7	184/7	173/8	15/10	17/11	67/3	76/9
	Stillfontein	3	5,245	9.7	396	7.6	6.1	77	74	420	381	517	454	65/3	66/8	235.2	204.4	9.1	9.0	143/7	148/2	49/5	46/2	108/7	102/7
	S. Roodepoort	9	1,105	4.7	221	7.1	7.7	42	45	261	248	266	269	46/-	45/-	64.1	64.1	4.8	4.8	191/-	188/8	15/3	14/10	63/4	62/1
	W. Rand Cons.	3	4,579	3.4	166	6.4	4.2	74	71	322	287	391	373	36/7	36/11	57.2	58.3	2.9	3.1	—	—	1/9	1d.	—	—
Anglo-T'vaal	Hartebeest	9	3,048	8.9	337	36.4	28.1	83	85	413	400	1,114	877	65/7	66/2	517.5	437.1	9.3	10.0	141/1	132/9	51/7	58/8	110/9	117/9
	Lorraine	6	1,234	6.9	313	6.0	7.5	68	44	811	518	490	458	62/3	57/6	116.0	94.5	4.7	4.1	262/11	278/8	L2/4	L5/10	L10/-	L28/4
	Rand Leases.	9	2,097	4.1	192	12.8	23.0	45</																	

# GOLD FIELDS GROUP COMPANIES

49 MOORGATE, LONDON, E.C.2.

## Extracts from Directors' Reports of Gold Mining Companies for the Quarter ended 31st March, 1961

(All Companies mentioned are incorporated in the Union of South Africa, with the exception of The Luipaards Vlei Estate and Gold Mining Co., Ltd., and Dominion Reefs (Klerksdorp) Ltd., which are incorporated in England.)

The South African decimal currency system became effective on 14th February 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. Monetary figures in these extracts are given in Rand and cents with the equivalent sterling shown in the adjacent column at an exchange rate of R2 equals £1 sterling.

NOTES.—The development returns of the following Mining Companies show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied. Copies of the reports may be obtained from the London Secretaries, 49, Moorgate, E.C.2.

### WEST WITWATERSRAND AREAS LIMITED.

The total footage drilled during the quarter amounted to 6,654 feet. The borehole situation at the end of March, 1961, is set out in the following tabulation:

Bore-hole No.	Farm	Depth in feet at 31st March, 1961	Advance during Quarter (feet)	Geological Divisions Traversed	Rock Types Encountered
21	Rietfontein No. 349	9,532	634	Upper Witwatersrand System	Quartzites, conglomerates and intrusives
21 1st Defl.	Rietfontein No. 349	8,880	64	Upper Witwatersrand System	Quartzites, conglomerates and intrusives
21 2nd Defl.	Rietfontein No. 349	8,802	4	Upper Witwatersrand System	Quartzites
22	Doornkloof No. 350	9,137	1,595	Upper Witwatersrand System	Quartzites, conglomerates and intrusives
23	Elandsfontein No. 346	344	344	Pretoria Series	Soil, quartzites, shales and intrusives
25	Doornkloof No. 350	494	494	Pretoria Series	Shales and intrusives
E.8K	Kleinfontein No. 141	1,624	908	Dolomite Series	Dolomitic limestones and chert
E.8L	Kleinfontein No. 141	6,180	1,877	Upper Witwatersrand System	Quartzites, grits, conglomerates and shales
E.10E	Gerhardminnebron No. 139	6,596	734	Lower Witwatersrand System	Quartzites, shales and intrusives

Further details are as follows:

**BOREHOLE No. 21**—This borehole continued to 9,143 feet in the intrusive within which drilling was in progress at the end of the previous quarter, and below that, to 9,217 feet, passed through argillaceous quartzites representing the lower portion of the Kimberley Shale horizon. From 9,217 feet to its final depth of 9,532 feet it traversed coarse grained quartzites of the Main Bird Series including coarse conglomerates with sporadic low values belonging to the Bird Reef Group between 9,264 and 9,309 feet, and two further intrusives between 9,309 and 9,379 feet and between 9,403 and 9,439 feet.

This succession confirms as Kimberley Reefs the reefs which were intersected at 8,837 and 8,849 feet during the previous quarter and which showed appreciable gold content in spite of severe core loss through grinding.

**BOREHOLE No. 21 (1st Deflection)**—In order to obtain a second intersection of the Kimberley Reef zone, a directional deflection was carried out at 8,816 feet and drilled to 8,880 feet. The intrusive occurring below the reefs was re-intersected at 8,878 feet, and above the intrusive the hole passed through a succession of reefs similar to that encountered in the original borehole, but the core recovery was only slightly better than in the original hole. The core has not been assayed yet and is being kept to control a second deflection for these reefs. The cores from both deflections will be assayed when the second deflection has been completed.

**BOREHOLE No. 21 (2nd Deflection)**—The second deflection was carried out at 8,798 feet in a direction opposite to the first, and at the end of the quarter had reached a depth of 8,802 feet in quartzite above the reef zone.

**BOREHOLE No. 22**—This borehole continued to 7,622 feet in the intrusive within which drilling was in progress at the end of the previous quarter. Between 7,622 and 8,017 feet it passed through fine-grained and argillaceous quartzites representing the Kimberley Shale and its associated quartzites, and below 8,017 feet it traversed coarse grained Main Bird quartzites including, between 8,093 and 8,235 feet, the Bird Reef Group within which sporadic low gold values were disclosed. Drilling is being continued to the Main Reef Group.

**BOREHOLE No. 23**—This new borehole, located about 7,500 feet north-east of Borehole No. 21, was commenced on the 26th January, 1961.

**BOREHOLE No. 25**—This new borehole, located about 5,500 feet south-east of Borehole No. 22, was commenced on the 28th January, 1961.

**BOREHOLE No. E.8K**—The initial troubles in this borehole were overcome and the borehole was advanced to a depth of 1,624 feet in the Dolomite Series.

**BOREHOLE No. E.8L**—This borehole continued to 4,953 feet in coarse-grained quartzites containing minor conglomerate bands with negligible gold content. Between 4,953 and 5,863 feet it passed through fine-grained and argillaceous quartzites and shales which represent the Kimberley Shale and its associated quartzites, which confirm the conglomerates above 4,953 feet as Kimberley Reefs. Below 5,863 feet the borehole traversed coarse-grained Main Bird quartzites with minor conglomerate bands.

**BOREHOLE No. E.10E**—This borehole continued throughout the quarter in a succession of broken Lower Witwatersrand quartzites, shales and intrusives, and has not yet intersected the Jeppetown Amygdaloid.

### FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED.

OPERATIONS—After trial milling during the three months ended 31st December, 1960, normal milling operations commenced on 1st January, 1961.

Tons milled	153,500	
Total yield ounces fine	37,189	
Yield per ton milled (dwt.)	4.845	
Working Revenue per ton milled	R6.08	60s. 9d.
Working Expenditure per ton milled	R6.73	67s. 3d.
Working Loss per ton milled	R0.65	6s. 6d.
Working Revenue	R932,727	£466,364
Working Expenditure	R1,031,880	£515,940
Working Loss	R99,153	£49,576
Capital Expenditure	R194,329	£97,165
Taxation	R Nil	£ Nil

#### DEVELOPMENT

Footage advanced	11,474	Basal Reef
Footage sampled	5,305	
Payable:		
Footage	3,605	
Per Cent.	68.0	
Stope Width (in.)	50.6	
Inch-dwt.	314	

**REDEMPTION OF CONVERTIBLE NOTES**—Noteholders are reminded that in terms of the conditions governing the issue of the 6½% Registered Unsecured Convertible Notes, 1965, any Notes not converted or surrendered for conversion into shares by 30th June, 1961, will be redeemed in whole or in part, in cash at par (together with interest to date of redemption) by the Company at any time during the period ending 30th June, 1965.

### ROBINSON DEEP LIMITED.

#### OPERATIONS

Tons milled	124,500	
Total yield ounces fine	28,880	
Yield per ton milled (dwt.)	4.639	
Working Revenue per ton milled	R5.83	58s. 4d.
Working Expenditure per ton milled	R5.76	57s. 8d.
Working Profit per ton milled	R0.07	0s. 8d.
Working Revenue	R726,344	£363,172
Working Expenditure	R717,810	£358,905
Working Profit	R8,534	£4,267
Capital Expenditure	R Nil	£ Nil
Taxation	R Nil	£ Nil

**SALES OF PROPERTY**—During the quarter the Company concluded three sales of freehold ground, being portions aggregating approximately 198 morgen of the farms Turffontein Nos. 96 I.R. and 100 I.R. and Booyens Estate No. 98 I.R., for R278,000. Two of these sales are on extended terms and the other is subject to certain restrictive conditions.

**TRIBUTING AGREEMENT WITH VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED**—No revenue has as yet accrued to this Company from the work being carried out, on a royalty basis, by Village Main Reef Gold Mining Company (1934) Limited in the area above 10 Level in the Turf Section.

	Total Development	
Footage Advanced	1,676	
Footage Sampled	1,205	
Payable:		
Footage	760	
Per Cent.	63.1	
Stope Width (in.)	48.5	
Inch-dwt.	325	
Mining operations during February and March were adversely affected by a loss of stope face caused by a severe pressure burst.		

### RIETFONTAIN CONSOLIDATED MINES LTD.

#### OPERATIONS

Tons milled	36,000	
Total yield ounces fine	9,700	
Yield per ton milled (dwt.)	5.389	
Working Revenue per ton milled	R6.77	67s. 9d.
Working Expenditure per ton milled	R6.52	65s. 3d.
Working Profit per ton milled	R0.25	2s. 6d.
Working Revenue	R243,753	£121,877
Working Expenditure	R234,878	£117,439

Working Profit	R8,875	£4,438
Capital Expenditure	R Nil	£ Nil
Taxation	R284	£142
	Total Development	
Footage Advanced	3,861	
Footage Sampled	1,630	
Payable:		
Footage	675	
Per Cent.	41.4	
Stope Width (in.)	46.3	
Inch-dwt.	449	

**DOMINION REEFS (KLERKSDORP) LIMITED.****PRODUCTION**

Tons from slimes dam	67,400	
Tons from mine	57,600	
Total tons treated in leaching plant	125,000	
Total yield uranium oxide (lb.)	152,642	
Yield per ton treated uranium oxide (lb.)	1.221	
Uranium oxide sold (lb.)	133,000	
Revenue from uranium oxide sold	R1,046,231	£523,115
Working expenditure after deducting revenue from sales of gold R39,319 (£19,660)	R514,231	£257,115
<b>Working Profit</b>	<b>R532,000</b>	<b>£266,000</b>

Capital Expenditure	R833	£417
Uranium loan instalment	R159,688	£79,844
State's Share of Profit	R10,966	£5,483
Taxation	R226,767	£113,384

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This company has decided to discontinue mining operations as from 30th June, 1961, and thereafter to reclaim slime from the dam at an increased rate thus keeping the uranium plant operating at full capacity and keeping production costs at a lower level than at present. Of its allocation of quotas, this company will produce, for sale at a fixed price of R7.8664 per lb., f.o.b. Durban, 133 tons for the six months ending 30th June, 1961, and 105 tons per half year until the end of 1963. In addition the company has ceded, against payment by the cessionary of a royalty of R5.40 per lb., the right to produce the remainder of its allocation of quotas, i.e. 27 tons in the second half of 1961, 55 tons in each of the years 1962 and 1963, 267 tons in 1964 and 270 tons in 1965. It is expected that the royalty receipts will be taxed at ordinary company rates.

		Dominion Reef
Footage Advanced		1,043
Footage Sampled		1,470
Payable:		
Footage		1,260
Per Cent.		85.7
Slope Width (in.)		36.0
Inch-dwt.—Uranium Oxide		60.1

Development operations ceased on the 31st January, 1961.

**WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED.****PRODUCTION**

<b>Gold</b>			
Tons milled	390,000		
Total yield ounces fine	364,772		
Yield per ton milled (dwt.)	18.706		
Working Revenue per ton milled	R23.56	235s. 7d.	
Working Expenditure per ton milled	R7.20	72s. 0d.	
<b>Working Profit per ton milled</b>	<b>R16.36</b>	<b>163s. 7d.</b>	
Working Revenue	R9,187,527	£4,593,764	
Working Expenditure	R2,806,590	£1,403,295	
<b>Working Profit</b>	<b>R6,380,937</b>	<b>£3,190,469</b>	
<b>Uranium Oxide</b>			
Tons treated in leaching plant	137,500		
Total yield uranium oxide (lb.)	48,513		
Yield per ton treated uranium oxide (lb.)	0.353		
Uranium oxide sold (lb.)	44,850		
Revenue from uranium oxide sold	R406,095	£203,048	
Service fee received from Doornfontein Gold Mining Limited	R51,124	£25,562	
Treatment Costs	R159,219	£79,610	
<b>Profit</b>		<b>R298,000</b>	<b>£149,000</b>
<b>Total Working Profit</b>		<b>R6,678,937</b>	<b>£3,339,469</b>
Capital Expenditure	R1,925,738	£962,869	
Uranium Loan Instalment	R151,200	£75,600	
State's Share of Profit	R829,950	£414,975	
Taxation	R2,195,967	£1,097,984	

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. Through the medium of the West Driefontein Joint Uranium Plant this company has been allocated, for sale at a fixed price of R9.0545 per lb., f.o.b. Durban, quotas of 89.05 tons per calendar year until the end of 1963, 89.70 tons in 1964 and 1965 and 70.20 tons which will be delivered by the end of the September quarter 1966. Deliveries for the current calendar year will be 44.85 tons for the six months ending 30th June, 1961 and 44.20 tons for the six months ending 31st December, 1961.

**DEVELOPMENT**

		Carbon Leader	Ventersdorp
Footage Advanced		9,183	9,107
Footage Sampled		3,135	2,690
Payable:			
Footage		3,120	2,360
Per Cent.		99.5	87.7
Slope Width (in.)		42.2	46.9
Inch-dwt.—Gold		688	502
Inch-lb.—Uranium oxide		16.0	

In addition, 732 feet were advanced during the quarter in the area held under prospecting permit.

**NO. 4 SHAFT**—During the quarter this shaft was sunk a distance of 600 feet to a total depth of 4,321 feet below collar. In addition stations to serve 12 Level and the pump station 280 feet below 12 Level were excavated.

**LIBANON GOLD MINING COMPANY LTD.****OPERATIONS**

Tons milled	351,000	
Total yield ounces fine	85,207	
Yield per ton milled (dwt.)	4.855	
Working Revenue per ton milled	R6.11	61s. 2d.
Working Expenditure per ton milled	R4.83	48s. 4d.
<b>Working Profit per ton milled</b>	<b>R1.28</b>	<b>12s. 10d.</b>
Working Revenue	R2,145,498	£1,072,749
Working Expenditure	R1,695,823	£847,911
<b>Working Profit</b>	<b>R449,675</b>	<b>£224,838</b>
Capital Expenditure	R283,329	£141,665
Taxation	R Nil	£ Nil

**DEVELOPMENT**

		Main Reef	Ventersdorp
		Contact Reef	Reef
Footage sampled	5,725	2,575	
Payable:			
Footage	4,155	2,315	
Per Cent.	72.6	89.9	
Slope Width (in.)	53.1	44.0	
Inch-dwt.	297	374	
<b>Total Development</b>	<b>19,777</b>	<b>8,300</b>	
Footage Advanced			
Footage Sampled			
Payable:			
Footage		6,470	
Per Cent.		78.0	
Slope Width (in.)		49.8	
Inch-dwt.		324	

**HARVE-WATT SHAFT**—During the quarter the shaft was equipped to a depth of 2,625 feet below collar.

**DOORNFONTEIN GOLD MINING COMPANY LIMITED.****PRODUCTION**

<b>Gold</b>			
Tons milled	335,000		
Total yield ounces fine	139,650		
Yield per ton milled (dwt.)	8.337		
Working Revenue per ton milled	R10.48	104s. 9d.	
Working Expenditure per ton milled	R5.82	58s. 1d.	
<b>Working Profit per ton milled</b>	<b>R4.66</b>	<b>46s. 8d.</b>	
Working Revenue	R3,510,131	£1,755,066	
Working Expenditure	R1,947,425	£973,713	
<b>Working Profit</b>		<b>R1,562,706</b>	<b>£781,353</b>
<b>Uranium Oxide</b>			
Tons treated in leaching plant	81,000		
Total yield uranium oxide (lb.)	24,933		
Yield per ton treated uranium oxide (lb.)	0.308		
Revenue from uranium oxide sold	R230,742	£115,371	
Treatment costs	R92,618	£46,309	
Service fee paid to West Driefontein Gold Mining Company Limited	R51,124	£25,562	
<b>Profit</b>		<b>R87,000</b>	<b>£43,500</b>
<b>Total Working Profit</b>		<b>R1,649,706</b>	<b>£824,853</b>
Capital Expenditure	R1,074,485	£537,243	
Uranium Loan instalment	R19,800	£9,900	
State's Share of Profit	R Nil	£ Nil	
Taxation	R253,475	£126,738	

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. Through the medium of the Joint Uranium Plant operated by West Driefontein Gold Mining Company Limited this company has been allocated, for sale at a fixed price of R9.5545 per lb. f.o.b. Durban, quotas of 47.95 tons per calendar year until the end of 1963, 48.30 tons in 1964 and 1965 and 37.80 tons which will be delivered by the end of the September quarter 1966. Deliveries for current calendar year will be 24.15 tons for the six months ending 30th June, 1961 and 23.80 tons for the six months ending 31st December, 1961.

**DEVELOPMENT**

		Carbon Leader
Footage Advanced		17,589
Footage Sampled		5,955
Payable:		
Footage		5,370
Per Cent.		90.2
Slope Width (in.)		41.0
Inch-dwt.—Gold		586
Inch-lb.—Uranium Oxide		8.6

**No. 2 SHAFT**—During the quarter work continued on the excavations for the shaft collar and the erection of the headgear was commenced. At the end of the quarter the shaft had been sunk 55 feet to a depth of 92 feet below collar.

**DIAMOND DRILLING FROM 15 LEVEL FOOTWALL DRIVE WEST**—Two boreholes were drilled from 15 Level footwall drive west to explore the area west of the estimated sub-outcrop position of the Carbon Leader, as shown on the plan attached to the last Annual Report.

The first borehole intersected the Carbon Leader at a point 8,800 feet west of a north-south line through No. 1 Shaft and 70 feet north of the line of the footwall drive. The reef was intersected approximately 100 feet below 15 Level horizon and sampling results averaged 30.2 dwt. per ton over a borehole reef width of 15.0 inches equivalent to 453 inch-dwt.

The second borehole intersected the Carbon Leader at a point 10,150 feet west of a north-south line through No. 1 Shaft and 1,500 feet north-west of the site of No. 2 Shaft. The reef was intersected approximately 250 feet below 15 Level horizon and sampling results averaged 6.2 dwt. per ton over a borehole reef width of 8.0 inches, equivalent to 50 inch-dwt. In this case there was some loss of core due to grinding.



### THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED.

#### PRODUCTION

<b>Main Reef Section</b>		
Tons milled	202,000	
Total yield ounces fine	35,477	
Yield per ton milled (dwt.)	3.513	
<b>Bird Reef Section</b>		
Tons milled for gold and treated in leaching plant	136,000	
Total yield gold ounces fine	4,407	
Total yield uranium oxide (lb.)	210,979	
Yield per ton treated uranium oxide (lb.)	1.551	
Uranium oxide sold (lb.)	189,000	
<b>Both Sections</b>		
Revenue from gold	R1,003,731	£501,866
Revenue from uranium oxide sold	R1,470,515	£735,257
	R2,474,246	£1,237,123
Working expenditure	R1,825,386	£912,693
Total Working Profit	R648,860	£324,430
Capital Expenditure	Cr. R4,304	£2,152
Uranium Loan Instalment	R177,000	£88,500
Taxation	R276,747	£138,374

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This company has been allocated, for sale at a fixed price of R7.7805 per lb. f.o.b. Durban, quotas of 378 tons per calendar year until the end of 1963, 381 tons in 1964 and 188 tons which will be delivered in the first half of 1965. Deliveries for the current calendar year will be 189 tons for each of the six months ending 30th June and 31st December, 1961. As a result of the new arrangements, steps have been taken to modify the mining policy on the Bird Reef and hence to improve the working profit. The initial results of this change of policy are reflected in the increased total working profit for the quarter. It is expected that further improvements will take place.

#### DEVELOPMENT

	Total Main Reef Section (Gold)	Total Bird Reef Section (Uranium)
Footage Advanced	8,050	13,689
Footage Sampled	2,375	4,060
Payable:		
Footage	1,710	2,860
Per Cent.	72.0	70.4
Slope Width (in.)	41.1	37.3
Inch-dwt.	27.1	67
Inch-lb.—Uranium Oxide	—	101.5

### VENTERSPOST GOLD MINING COMPANY LIMITED.

#### OPERATIONS

Tons milled	356,000	
Total yield ounces fine	103,016	
Yield per ton milled (dwt.)	5.787	
Working Revenue per ton milled	R7.28	72s. 10d.
Working Expenditure per ton milled	R5.94	59s. 6d.
Working Profit per ton milled	R1.34	13s. 4d.
Working Revenue	R2,591,659	£1,295,830
Working Expenditure	R2,115,718	£1,057,859
Working Profit	R475,941	£237,971
Capital Expenditure	R43,480	£21,740
Taxation	R146,410	£73,205

#### DEVELOPMENT

	Main Reef	Ventersdorp Contact Reef
Footage Sampled	4,640	1,495
Payable:		
Footage	2,470	770
Per Cent.	53.2	51.5
Slope Width (in.)	63.5	47.3
Inch-dwt.	406	511
<b>Total Development</b>		
Footage Advanced	16,974	
Footage Sampled	6,135	
Payable:		
Footage	3,240	
Per Cent.	52.8	
Slope Width (in.)	59.7	
Inch-dwt.	430	

### VOGELSTRUISBULT GOLD MINING AREAS LIMITED.

#### PRODUCTION

<b>Gold</b>		
Tons milled	243,000	
Total yield ounces fine	51,926	
Yield per ton milled (dwt.)	4.274	
Working Revenue per ton milled	R5.39	53s. 11d.
Working Expenditure per ton milled	R5.02	50s. 3d.
Working Profit per ton milled	R0.37	3s. 8d.
Working Revenue	R1,310,898	£655,449
Working Expenditure	R1,220,950	£610,475
Working Profit		R89,948 £44,974
<b>Uranium Oxide</b>		
Tons treated in leaching plant	121,000	
Total yield uranium oxide (lb.)	54,090	
Yield per ton treated uranium oxide (lb.)	0.447	
Uranium oxide sold (lb.)	52,000	
Revenue from uranium oxide sold	R512,226	£256,113
Net Cost of uranium oxide sold after deducting revenue from pyrite sales R46,476 (£23,238)	R187,226	£93,613
Profit on Sales		R325,000 £162,500
Total Working Profit		R414,948 £207,474
Capital Expenditure	R4,677	£2,338
Uranium Loan Instalment	R144,000	£72,000
Taxation	R173,192	£86,596

**URANIUM CONTRACT**—In terms of new arrangements made between uranium producers and the South African Atomic Energy Board, producers have been allocated fixed annual quotas to be sold at specified fixed prices. This company has been allocated, for sale at a fixed price of R9.8505 per lb. f.o.b. Durban, quotas of 103 tons per calendar year until the end of 1963, 104 tons in 1964 and 26 tons which will be delivered in the March quarter 1965. Deliveries for the current calendar year will be 52 tons for the six months ending 30th June, 1961, and 51 tons for the six months ending 31st December, 1961.

#### DEVELOPMENT

	Main Kimberley Reef	Reef
Footage Sampled	3,935	2,615
Payable:		
Footage	955	660
Per Cent.	24.3	25.2
Slope Width (in.)	42.6	46.3
Inch-dwt.—Gold	328	301
Inch-lb.—Uranium oxide	—	14.4
<b>Total Development</b>		
Footage Advanced	9,366	
Footage Sampled	6,550	
Payable:		
Footage	1,615	
Per Cent.	24.7	
Slope Width (in.)	44.1	
Inch-dwt.—Gold	318	

### SIMMER AND JACK MINES LIMITED.

#### OPERATIONS

Tons milled	209,000	
Total yield ounces fine	38,024	
Yield per ton milled (dwt.)	3.639	
Working Revenue per ton milled	R4.57	45s. 8d.
Working Expenditure per ton milled	R4.58	45s. 9d.
Working Loss per ton milled	R0.01	0s. 1d.
Working Revenue	R954,854	£477,427
Working Expenditure	R956,431	£478,215
Working Loss	R1,577	£788
Capital Expenditure	Cr. R16,515	£8,257
Taxation	R Nil	£ Nil
<b>Total Development</b>		
Footage Advanced	2,433	
Footage Sampled	1,790	
Payable:		
Footage	750	
Per Cent.	41.9	
Slope Width (in.)	41.5	
Inch-dwt.	249	

### VLAKFONTEIN GOLD MINING COMPANY LIMITED.

#### OPERATIONS

Tons milled	154,500	
Total yield ounces fine	56,786	
Yield per ton milled (dwt.)	7.351	
Working Revenue per ton milled	R9.24	92s. 4d.
Working Expenditure per ton milled	R5.68	56s. 8d.
Working Profit per ton milled	R3.56	35s. 8d.
Working Revenue	R1,427,026	£713,513
Working Expenditure	R876,269	£438,134

Working Profit	R550,757	£275,379
Capital Expenditure	R169	£85
Taxation	R282,555	£141,278
<b>DEVELOPMENT</b>		
Footage Advanced		Main Reef 9,009
Footage Sampled		7,590
Payable:		
Footage		2,955
Per Cent.		38.9
Slope Width (in.)		42.2
Inch-dwt.		452

## THE SUB NIGEL LIMITED.

## OPERATIONS

Tons milled .....	197,000	
Total yield ounces fine .....	44,782	
Yield per ton milled (dwt.) .....	4.546	
Working Revenue per ton milled .....	R5.72	57s. 2d.
Working Expenditure per ton milled .....	R5.36	53s. 6d.
Working Profit per ton milled .....	R0.36	3s. 8d.
Working Revenue .....	R1,126,865	£563,433
Working Expenditure .....	R1,055,239	£527,620
Working Profit .....	R71,626	£35,813

Capital Expenditure .....	R130	£65
Taxation .....	R1,463	£731
DEVELOPMENT		Main Reef
Footage Advanced .....		3,313
Footage Sampled .....		2,915
Payable:		
Footage .....		605
Per Cent. ....		20.8
Slope Width (in.) .....		38.9
Inch-dwt. ....		319
SPAARWATER TRIBUTE AREA—In addition 1,101 feet were advanced in this area during the quarter. Of the 1,005 feet sampled, 390 feet, equal to 38.8 per cent., proved payable averaging 241 inch-dwt. over an estimated stoping width of 40.8 inches.		

susceptible to boycott, and uranium, which is being sold under long term contract, between them earned some £340,000,000 in 1960. Beyond this, almost 60 per cent of all South Africa's other exports (£227,000,000 out of £394,000,000) are absorbed by six countries, namely Britain, the Central African Federation, Germany, Belgium, Japan and Italy in that order while the United States and France account for a further 10 per cent (£41,000,000). Of these countries, the first six are among the least likely to show any enthusiasm for a boycott, and together have only a small favourable balance of trade with South Africa, whereas the Union's terms of trade with the rest of the world favour the countries with whom she trades to the extent of about £101,000,000 per annum. Thus, while the possibility of boycotts cannot be discounted, South Africa's pattern of trade does not make her a very vulnerable target.

Moreover, as South Africa's native policies get under way, both inside and outside the Bantustans, and result in increased purchasing power among the Africans, this rising income is likely to be spent mainly on food and the products of light industry, thus creating a demand which the Union can largely supply for herself without strain to her balance of payments.

## Vital Role of Gold Industry

Again, for technical mining reasons, there is good reason to think that any likely deterioration in the terms of trade, including the eventual running down of income from uranium, could, if necessary, be more than compensated by a substantial increase in revenue from gold even at its present price. This possibility is examined in greater detail in an article in this week's issue (page 473).

South Africa developed the habit of industrial self-sufficiency during World War II and today, for example, the mining industry's purchases, including both capital goods and consumable stores, are made as to between 80 and 90 per cent on the home market. Thus, so long as she can afford to go on buying essential capital goods from such countries as Britain and Germany, the process of industrialisation and growing self-reliance can continue. The crucial question is how rapidly will the Union's balance of payments position allow this process to proceed side by side with the Bantustan programme?

This, of course, depends not only on maintaining a favourable balance on current account but equally on arresting the capital outflow, which last year in the aggregate totalled nearly £97,000,000. Of this £74,000,000 was foreign owned, £40,000,000 being accounted for by the repatriation of foreign share holdings in South African companies.

However, it is not simply a question of standing still. South Africa's requirements of additional capital are going to be very large in the public sector, both for Bantu advancement and for State-owned undertakings such as Iscor, Sasol and Escom.

## The Challenge to White South Africans

As we aimed to show in the previous issue of this Supplement, Dr. Verwoerd's racial policies, besides being beyond argument the Union's selected road to salvation, are by no means inherently unworkable given that they are implemented with the utmost energy and wholeheartedness. The doubt, which has yet to be resolved, is whether the individual sacrifice involved will be accepted.

The success with which the Union meets this challenge depends very largely upon two things—first upon the white South Africans' response to the government's call for sacrifice of accepted living standards and working habits, and secondly on the availability of capital. Of these the first is, of course, crucial but it must surely be assumed that no South African government would attempt what Dr. Verwoerd is setting out to do without the certainty that not only its own supporters but also the bulk of the European population are ready to accept the sacrifices which may be required.

As regards the availability of capital, this must in part be dependent upon the first premise and in part on the duration and the rate of outflow of private capital.

As the net repatriation of South African stocks over the last three years indicates, the "bearing" of South Africa is no new factor in the situation. At the same time in the past year it has been by far the most serious aspect of the situation and the Reserve Bank statistics for the period following the Commonwealth conference will therefore be of especial significance.

## It's Easy to Discourage Foreign Selling

If, as we have already suggested, the political tap proves to have run dry, the South African institutional funds, which have been applied to absorbing these repatriated shareholdings (about £40,000,000 in 1960), will now become available for new capital investment. If, however, the tap has merely become clogged by present low prices, it becomes a matter of more than academic interest to the Union to consider how much pressure from rising market prices would be needed to blow it clear and how best to keep share prices from rising to that point.

We suggest in all seriousness that, if the capital outflow continues, investors in Kaffirs should be prepared for South Africa, either by instinct or design, to stop accommodating foreign sellers by providing an

ever-ready market. After all, if the foreign investor is at a point where he is in any case unwilling, on political considerations, to make new capital available for South Africa, the buoyancy of the South African stock market ceases for the time being to be a matter of primary national importance.

Certainly at the present time it is secondary to what must be the government's over-riding concern to make sufficient South African capital available either directly for investment in the development of Bantustans and the perimeter industries or indirectly by investment aimed at accelerating the output of gold.

Private and company income tax could doubtless be made to produce considerable extra revenue for investment in African advancement (withdrawal of existing tax discounts—10 per cent on private individuals and 3 per cent on companies—might come as a start), but with the slackness which already exists in the economy and the urgent need for increasing employment and earnings among the urban Africans, this is no time to discourage consumer spending.

On the other hand, not only would a greater hesitation by the South African institutions in buying up foreign held shares discourage the repatriation of foreign capital by keeping stock market prices down, but at the same time the need for higher taxation would be reduced by the extent to which institutional and private investment was thereby channelled into new domestic projects and away from the otherwise inevitable process of further investment of South African funds in what are already going concerns in no urgent need of capital.

In this context it is significant that the recent budget contained proposals for taxing the dividend income of insurance companies, to whom the government has also appealed to support this year's loan issues.

## Why Sell at These Prices?

In such circumstances the foreign investor would seem to have nothing to gain from precipitate selling at politically depressed prices of shares paying steady or expanding dividends in undertakings which are intrinsically sound and, political risks apart, grossly undervalued. In this context it is perhaps necessary to emphasize that, even in the unlikely event of the South African government being constrained to impose additional restrictions on the outflow of capital, should things go badly, under no conceivable circumstances would such measures extend to a ban on the transfer abroad of dividend earnings.

Moreover, precisely because these shares may become artificially depressed in consequence of South African institutional buyers deliberately staying out of the market, it follows that further unfavourable political

(Continued on page 19)

# ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

## GOLD MINING COMPANIES' DIRECTORS' ABRIDGED REPORTS FOR THE QUARTER ENDED 31st MARCH, 1961

(All Companies mentioned are incorporated in the Union of South Africa)

### WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	429,000	401,500
Ounces fine	124,412	115,105
Yield per ton—dwt.	5.80	5.73
Cost per ton milled	R41	R5.44
	(54s. 1d.)	(54s. 5d.)
Profit per ton milled	R1.90	R1.84
	(19s. 0d.)	(18s. 5d.)
Uranium (Joint Production Scheme)		
Uranium oxide produced—lb.	369,585	—
Yield per ton treated—lb.	0.472	—
Estimated working profit of joint scheme (before charging royalties)	R1,672,901	—
	(£836,450)	
<b>FINANCIAL</b>		
Gold—working profit	R815,480	R739,404
	(£407,740)	(£369,702)
Uranium		
Share of Joint Scheme Working profit*	R585,665	R854,348
	(£292,832)	(£427,174)
Sulphuric Acid		
Working profit	R60,000	R98,426
	(£30,000)	(£49,213)
Total Working Profit from Gold, Uranium, and Sulphuric Acid	R1,461,145	R1,692,178
	(£730,572)	(£846,089)
Uranium—Royalties payable	R346,465	—
	(£173,232)	
Uranium Loans		
Repayments (including interest)	R338,364	R338,364
	(£169,182)	(£169,182)
Interest free loans receivable	R12,600	—
	(£6,300)	
Capital Expenditure	R451,861	R435,610
	(£225,930)	(£217,805)
Taxation and State's share of profits—estimated	R371,854	R322,184
	(£185,927)	(£411,092)

#### DEVELOPMENT

Mining Lease Area (including Goedgenoeg area)		
(a) Ventersdorp Contact and Elsburg Reefs:		
Footage driven	3,302	2,345
Feet sampled	1,640	745
Feet payable	870	385
Percentage payability	53.0	51.7
Average gold value—dwt. per ton	11.15	11.48
Average uranium oxide value—lb. per ton	0.27	0.34
Width—inches	44.18	39.26
Equivalent inch-dwt.	493	451
Equivalent inch-lb.	11.98	13.20
(b) Vaal Reef:		
Footage driven	9,742	10,163
Feet sampled	2,610	3,485
Feet payable	1,950	2,355
Percentage payability	74.7	67.6
Average gold value—dwt. per ton	70.30	67.08
Average uranium oxide value—lb. per ton	5.83	4.26
Width—inches	8.99	10.61
Equivalent inch-dwt.	632	712
Equivalent inch-lb.	52.37	45.22
Nooitgedacht Area (including the portion over which an application for a mining lease has been made)—Results of development on Ventersdorp Contact and Elsburg Reefs.		
Footage driven	7,783	9,655
Feet sampled	3,125	3,325
Feet payable	1,640	1,395
Percentage payability	52.5	42.0
Average gold value—dwt. per ton	13.36	10.67
Average uranium oxide value—lb. per ton	0.35	0.35
Width—inches	47.84	53.34
Equivalent inch-dwt.	639	569
Equivalent inch-lb.	16.88	18.44

No. 4 SHAFT  
The construction of the headgear has been completed and the erection of the main winder and winder house is in progress.

#### \*URANIUM

The uranium profits for 1960 resulted from the production of uranium by the company for its own account against its original sales contract which was due to terminate at the end of 1963. The proposals set out in the circular to members dated 9th February, 1961, whereby the production of augmented uranium quota entitlements will be stretched out until 1970 under a Western Reefs-Vaal Reefs Joint Scheme have been implemented with effect from 1st January, 1961.

In the company's monthly declaration for January, February and March, 1961, uranium profits have been shown after deduction of royalties payable. In this quarterly report, and in future monthly declarations, uranium profits will be shown before deduction of royalties.

### WESTERN HOLDINGS LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	489,000	467,000
Ounces fine	336,159	317,809
Yield per ton—dwt.	13.75	13.61
Cost per ton milled	R5.58	R5.60
	(55s. 10d.)	(56s. 0d.)
Profit per ton milled	R11.74	R11.69
	(117s. 5d.)	(116s. 11d.)
Working profit	R5,743,271	R5,457,430
	(£2,871,635)	(£2,728,725)
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	R3,332,100	R3,005,000
	(£1,666,050)	(£1,502,500)
Capital expenditure	R580,085	R820,578
	(£290,042)	(£410,289)
<b>DEVELOPMENT</b>		
Total footage driven	29,494	28,202
Feet sampled	3,160	4,165
Feet payable	2,435	3,620
Percentage payability	77.1	86.9
Average value—dwt. per ton	145.52	138.89
Width—inches	8.14	8.67
Equivalent inch-dwt.	1,185	1,204
<b>SHAFT SINKING</b>		
No. 1 Ventilation Shaft		
Footage sunk in quarter	1,727	1,706
Depth to date—feet	3,433	1,706

### DAGGAFONTEIN MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	673,000	660,000
Ounces fine	135,828	133,721
Yield per ton—dwt.	4.04	4.05
Cost per ton milled	R3.09	R3.13
	(30s. 11d.)	(31s. 4d.)
Profit per ton milled	R2.00	R2.02
	(20s. 0d.)	(20s. 2d.)
Uranium		
Uranium oxide produced—lb.	125,033	136,737
Yield per ton treated—lb.	0.316	0.355
<b>FINANCIAL</b>		
Gold—Working profit	R1,343,178	R1,328,848
	(£671,589)	(£664,424)
Uranium—Estimated working profit	R423,799	*R756,894
	(£211,899)	(£376,447)
Royalties receivable	R291,201	—
	(£145,600)	
Sulphuric Acid—Estimated working profit	R72,000	R92,314
	(£36,000)	(£46,157)
Total Profit from Gold, Uranium, Acid and Royalties	R2,130,178	R2,178,056
	(£1,065,089)	(£1,089,028)
Uranium Loan Repayments (including interest)	R281,550	R281,552
	(£140,775)	(£140,776)
Taxation and State's share of profits—estimated	R1,247,536	R1,229,790
	(£623,768)	(£614,895)
Capital expenditure	R12,150	Cr. R6,758
	(£6,075)	(Cr. £3,379)
* Based on the company's original quota entitlement.		
<b>DEVELOPMENT</b>		
Main Reef Leader		
Footage driven	3,541	4,518
Feet sampled	3,295	3,850
Feet payable	1,415	1,675
Percentage payability	42.9	43.5
Average gold value—dwt. per ton	18.56	19.55
Width—inches	12.72	19.16
Equivalent inch-dwt.	236	375
Kimberley Reef		
Footage driven	5,263	4,481
Feet sampled	4,585	4,080
Feet payable	2,325	1,545
Percentage payability	50.7	37.9
Average gold value—dwt. per ton	12.63	12.89
Average uranium oxide value—lb. per ton	0.96	1.15
Width—inches	32.20	29.56
Equivalent inch-dwt.	407	381
Equivalent inch-lb.	30.97	34.08



## WELKOM GOLD MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	291,000	294,000
Ounces fine	91,348	93,604
Yield per ton—dwt.	6.28	6.37
Cost per ton milled	R6.68	R6.52
	(66s. 10d.)	(65s. 2d.)
Profit per ton milled	R1.22	R1.56
	(12s. 2d.)	(15s. 7d.)
Working Profit	R354,201	R459,404
	(£177,100)	(£229,702)
Uranium		
Share of Joint Scheme Profit	R353,500	R345,600
	(£176,750)	(£172,800)
Total Profit from Gold and Uranium	R707,701	R805,004
	(£353,850)	(£402,502)

### FINANCIAL

Taxation and State's Share of Profit—estimated	—	—
Capital Expenditure—Gold and uranium, including contributions towards capital cost of Pres. Steyn uranium plant less recoupments	Cr. £40,641	Cr. £33,140
	(Cr. £20,320)	(Cr. £16,570)
Interest charges (excluding interest on uranium loans)	R79,460	R81,000
	(£39,730)	(£40,500)
Loan Repayments 5 per cent debentures	R341,000	R9,658
	(£170,500)	(£4,829)
Uranium loans (comprising redemption and interest)	R255,290	R255,290
	(£127,645)	(£127,645)

### DEVELOPMENT

Footage driven	21,918	20,789
Feet sampled	4,180	5,000
Feet payable	3,690	3,675
Percentage payability	88.3	73.5
Average value—dwt. per ton	112.91	88.91
Width—inches	5.04	5.45
Equivalent inch-dwt.	569	485

### URANIUM

In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review. The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

## WESTERN DEEP LEVELS LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>DEVELOPMENT</b>		
Footage driven	18,928	14,829
Feet sampled	2,610	960
Feet payable	1,950	605
Percentage payability	74.7	63.0
Average value—dwt. per ton	15.38	15.40
Width—inches	50.50	42.26
Equivalent inch-dwt.	777	651
<b>SHAFT SINKING</b>		
No. 2 Shaft System		
Ventilation shaft—footage sunk	66	26
Ventilation shaft—footage in stations, pump chambers, etc.	1,191	931
No. 3 Shaft System		
Ventilation shaft—footage sunk	434	240
Ventilation shaft—footage in stations, pump chambers, etc.	636	—
	Shaft depths at 31st Mar. 1961	31st Dec. 1960
	feet	feet
No. 2 Shaft System		
Ventilation Shaft	6,077	5,433
No. 3 Shaft System		
Ventilation Shaft	6,564	6,324

In the No. 2 shaft system, 1,179 feet were advanced, all of which were off reef.

## EAST DAGGAFONTEIN MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	320,500	320,500
Ounces fine	54,690	54,632
Yield per ton—dwt.	3.41	3.41
Cost per ton milled	R3.50	R3.50
	(35s. 0d.)	(35s. 0d.)
Profit per ton milled	R0.80	R0.83
	(8s. 0d.)	(8s. 4d.)
Working profit	R255,812	R267,256
	(£127,906)	(£133,628)
<b>FINANCIAL</b>		
Taxation—estimated	R107,611	R114,524
	(Cr. £1,409)	(£57,262)
Capital expenditure	Cr. R2,819	R6,424
	(£1,409)	(£3,212)
<b>DEVELOPMENT</b>		
Main Reef Leader		
Footage driven	2,080	2,283
Feet sampled	1,555	2,005
Feet payable	555	725
Percentage payability	35.7	36.2
Average value—dwt. per ton	13.44	10.99
Width—inches	19.07	20.87
Equivalent inch-dwt.	256	229
Kimberley Reef		
Footage driven	4,977	5,634
Feet sampled	3,475	3,330
Feet payable	695	585
Percentage payability	20.0	17.6
Average value—dwt. per ton	54.76	50.43
Width—inches	4.71	5.85
Equivalent inch-dwt.	258	295

## FREE STATE GEDULD MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	287,000	283,500
Ounces fine	250,541	245,442
Yield per ton—dwt.	17.46	17.32
Cost per ton milled	R7.79	R7.82
	(77s. 11d.)	(78s. 2d.)
Profit per ton milled	R14.21	R14.18
	(142s. 1d.)	(141s. 10d.)
Working profit	R4,078,049	R4,021,514
	(£2,039,024)	(£2,010,757)
<b>FINANCIAL</b>		
*Taxation	R745,000	—
	(£372,500)	
* For the first time since the company's incorporation, provision has to be made for the payment of taxation on mining profits.		
Capital expenditure	R697,929	R612,462
	(£348,964)	(£306,231)
<b>DEVELOPMENT</b>		
Total footage driven	27,709	27,229
Feet sampled	2,910	2,680
Feet payable	2,835	2,505
Percentage payability	97.4	93.5
Average value—dwt. per ton	313.66	269.65
Width—inches	5.27	4.81
Equivalent inch-dwt.	1,653	1,297

The results obtained in the areas of the individual shafts were:—

No. 1 Shaft Area		
Feet sampled	690	1,270
Feet payable	650	1,110
Percentage payability	94.2	87.4
Average value—dwt. per ton	259.24	179.84
Width—inches	5.52	5.01
Equivalent inch-dwt.	1,431	901
No. 2 Shaft Area		
Feet sampled	2,220	1,410
Feet payable	2,185	1,395
Percentage payability	98.9	98.9
Average value—dwt. per ton	330.58	345.92
Width—inches	5.20	4.66
Equivalent inch-dwt.	1,719	1,612
<b>SHAFT SINKING</b>		
No. 4 Shaft		
Footage sunk in quarter	200	
Depth to date—feet	200	

## SPRINGS MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	278,000	281,000
Ounces fine	38,374	38,515
Yield per ton—dwt.	2.76	2.74
Cost per ton milled	R3.16 (31s. 7d.)	R3.17 (31s. 8d.)
Profit per ton milled	R0.32 (3s. 2d.)	R0.32 (3s. 2d.)
Working profit	R88,744 (£44,372)	R89,258 (£44,629)
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	R23,131 (£11,565)	R31,100 (£15,550)
Capital recoupments	R7,137 (£3,568)	R20,720 (£10,360)
<b>DEVELOPMENT</b>		
Footage driven	4,256	4,801
Feet sampled	3,625	3,965
Feet payable	1,345	1,475
Percentage payability	37.1	37.2
Average value—dwt. per ton	12.24	18.67
Width—inches	24.62	21.86
Equivalent inch-dwt.	301	408

## BRAKPAN MINES, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	425,000	434,000
Ounces fine	52,781	53,096
Yield per ton—dwt.	2.48	2.45
Cost per ton milled	R2.88 (28s. 10d.)	R2.88 (28s. 10d.)
Profit per ton milled	R0.26 (2s. 7d.)	R0.23 (2s. 4d.)
Working profit	R109,837 (£54,918)	R102,346 (£51,173)
<b>FINANCIAL</b>		
Taxation and State's Share of Profits—estimated	R19,808 (£9,904)	R19,600 (£9,800)
Capital Recoupments	R2,000 (£1,000)	R5,638 (£2,819)
<b>DEVELOPMENT</b>		
Footage driven	4,484	5,885
Feet sampled	3,530	3,845
Feet payable	450	635
Percentage payability	12.7	16.5
Average value—dwt. per ton	15.35	11.30
Width—inches	58.61	75.29
Equivalent inch-dwt.	900	851

THE SOUTH AFRICAN LAND AND  
EXPLORATION COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	310,500	297,500
Ounces fine	63,369	61,794
Yield per ton—dwt.	4.08	4.15
Cost per ton milled	R4.17 (41s. 8d.)	R4.24 (42s. 5d.)
Profit per ton milled	R0.97 (9s. 8d.)	R1.03 (10s. 4d.)
Working profit	R300,433 (£150,216)	R308,188 (£154,094)
<b>FINANCIAL</b>		
Taxation and State's share of profits—estimated	R4,327 (£2,163)	R9,806 (£4,903)
Capital expenditure	R316,608 (£158,304)	R341,752 (£170,876)
<b>DEVELOPMENT</b>		
Mining Lease Area		
Footage driven	4,403	4,975
Feet sampled	2,940	3,485
Feet payable	1,005	1,415
Percentage payability	34.2	40.6
Average value—dwt. per ton	11.17	15.13
Width—inches	29.70	27.55
Equivalent inch-dwt.	332	417
Outside Mining Lease Area—(Withok No. 131 I.R.)		
Footage driven	6,347	7,700
Feet sampled	3,725	3,615
Feet payable	1,730	1,250
Percentage payability	46.4	34.6
Average value—dwt. per ton	15.62	19.45
Width—inches	25.41	28.26
Equivalent inch-dwt.	397	550

SHAFT SINKING  
No. 3 Shaft System

No. 3A shaft was sunk 364 feet to its final depth of 4,051 feet below the collar. Preparatory work for the sinking of No. 3 Sub-vertical shaft is now in progress and it is anticipated that sinking will commence in July, 1961.

PRESIDENT BRAND GOLD MINING  
COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	359,500	352,000
Ounces fine	283,376	280,736
Yield per ton—dwt.	15.77	15.95
Cost per ton milled	R6.26 (62s. 7d.)	R6.21 (62s. 1d.)
Profit per ton milled	R13.62 (136s. 2d.)	R14.06 (140s. 7d.)
Working profit	R4,895,761 (£2,447,880)	R4,950,478 (£2,475,239)
<b>Uranium</b>		
Share of Joint Scheme Profit	R267,500 (£133,750)	R262,300 (£131,150)
Total Profit from Gold and Uranium	R5,163,261 (£2,581,630)	R5,212,778 (£2,606,389)
<b>FINANCIAL</b>		
Taxation and State's share of Profits (estimated)	R2,495,100 (£1,247,550)	R2,536,500 (£1,268,250)
<b>Capital Expenditure—Gold and Uranium including contributions towards capital cost of President Steyn and Welkom uranium plants</b>		
	R755,610 (£377,805)	R833,052 (£416,526)
<b>DEVELOPMENT</b>		
Footage driven	21,603	21,156
Feet sampled	1,895	2,405
Feet payable	1,730	1,940
Percentage payability	91.3	80.7
Average value—dwt. per ton	114.54	108.67
Width—inches	8.32	6.49
Equivalent inch-dwt.	953	705

**URANIUM**  
In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review. The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

VAAL REEFS EXPLORATION AND  
MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	308,500	306,000
Ounces fine	143,454	141,751
Yield per ton—dwt.	9.30	9.26
Cost per ton milled	R6.63 (66s. 4d.)	R6.64 (66s. 5d.)
Profit per ton milled	R5.08 (50s. 10d.)	R5.13 (51s. 4d.)
<b>Uranium (Joint Production Scheme)</b>		
Uranium oxide produced—lb.	369,585	—
Yield per ton treated—lb.	0.472	—
Estimated working profit of joint scheme (before charging royalties)	R1,672,901 (£836,450)	—
<b>FINANCIAL</b>		
Gold—Working profit	R1,567,950 (£783,975)	R1,570,496 (£785,248)
Uranium—Share of Joint Scheme Working Profit*	R1,087,236 (£543,618)	R846,158 (£423,079)
Total Working Profit from Gold and Uranium	R2,655,186 (£1,327,593)	R2,416,654 (£1,208,327)
Royalties payable	R643,436 (£321,718)	—
<b>Uranium Loans</b>		
Repayments (including interest)	R140,316 (£70,158)	R140,316 (£70,158)
Interest free loans receivable	R23,400 (£11,700)	—
<b>Taxation and State's Share of Profits—estimated</b>		
Capital Expenditure	R796,634 (£398,317)	R1,581,636 (£790,818)
<b>DEVELOPMENT</b>		
Footage driven	25,015	26,704
Feet sampled	6,510	8,420
Feet payable	5,150	6,495
Percentage payability	79.1	77.1
Average gold value—dwt. per ton	62.46	62.25
Average Uranium oxide value—lb. per ton	3.94	4.89
Width—inches	10.31	10.53
Equivalent inch-dwt.	644	666
Equivalent inch-lb.	40.63	51.52

## \*URANIUM

The uranium profits for 1960 resulted from production of uranium by the company for its own account against its original sales contract which was due to terminate at the end of 1966. The proposals set out in the circular to members dated 9th February, 1961, whereby the production of augmented uranium quota entitlements will be stretched out until 1970 under a Western Reefs-Vaal Reefs Joint Scheme have been implemented with effect from 1st January, 1961.

In the company's monthly declaration for January, February and March, 1961, uranium profits have been shown after deduction of royalties payable. In this quarterly report, and in future monthly declarations, uranium profits will be shown before deduction of royalties.

## PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st December, 1960
<b>OPERATING RESULTS</b>		
Gold		
Tons milled	320,000	318,000
Ounces fine	119,873	118,605
Yield per ton—dwt.	7.49	7.46
Cost per ton milled	R6.25	R6.24
	(62s. 6d.)	(62s. 5d.)
Profit per ton milled	R3.17	R3.26
	(31s. 8d.)	(32s. 7d.)
Working profit	R1,013,322	R1,038,180
	(£506,661)	(£519,090)
Uranium (Share of Joint Scheme Profit)	R370,000	R363,200
	(£185,000)	(£181,600)
Total Profit from Gold and Uranium	R1,383,322	R1,401,380
	(£691,661)	(£700,690)
<b>FINANCIAL</b>		
Capital expenditure: gold and uranium, including contributions towards capital cost of Welkom uranium plant less recoupments	R742,388	R787,324
	(£371,194)	(£393,662)

## PRESIDENT STEYN GOLD MINING COMPANY, LIMITED—Continued

Taxation	—	—
Interest charges (excluding interest on uranium loans)	R86,783	R82,622
	(£43,391)	(£41,311)
Uranium loan repayments (comprising redemption and interest)	R245,774	R245,774
	(£122,887)	(£122,887)
<b>DEVELOPMENT</b>		
Basal Reef		
Total footage driven	15,297	15,203
Feet sampled	2,850	2,390
Feet payable	2,590	2,230
Percentage payability	90.9	93.3
Average value—dwt. per ton	34.94	32.35
Width—inches	11.79	12.10
Equivalent inch-dwt.	412	391

### URANIUM

In terms of the arrangements advised to members in a circular issued on the 8th February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review.

The uranium earnings shown above include the working profits from the production of uranium to the dates of closure of the respective treatment plants and net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

1. The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders the sterling equivalent is given in brackets below each monetary figure in these reports. £1 is equivalent to two Rand.

2. The development values in all these companies' reports represent actual results of sampling, no allowance having been made for adjustments which are necessary in estimating ore reserves.

3. Copies of the complete quarterly reports of any company may be had on application to the London Secretaries, 40 Holborn Viaduct, E.C.1.

London Office: 40 Holborn Viaduct, E.C.1

13th April, 1961.

For and on behalf of  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED,  
W. C. SQUIRE, Joint London Secretary.

## WITWATERSRAND NIGEL, LIMITED

(Incorporated in the Union of South Africa)

### REPORT OF THE DIRECTORS For the Quarter ended 31st March, 1961

#### PRODUCTION

Tons Milled	59,300	
Yield (in oz. fine)	12,913	
Yield per Ton Milled (dwts.)	4.355	
		Per Ton Milled
Working Revenue	£162,604	s. d.
Working Costs	152,120	*51 4
Working Profit	£10,484	3 6
Add: Sundry Revenue	3,255	
NET PROFIT	£13,739	

(\*235/7d. per oz. fine)

#### CAPITAL EXPENDITURE

Capital Expenditure during the Quarter amounted to £1,130.

#### DEVELOPMENT

Development Footage	4,769 feet
Footage on Reef	3,406 feet
Footage Sampled	3,365 feet

The payable reef disclosures were as follows:—

815 feet, or 24.2%, averaging 7.53 dwts. per ton over a width of 28.40 inches, equivalent to 214 inch-dwts.

(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserves.)

Stopping operations in the lower levels of the Houtpoort shoot during the past six months have yielded poorer results than expected. Whilst all efforts are being made to maintain the position, it is not expected that there will be an improvement in results before the future of development operations at No. 3 Shaft is decided early in 1962.

By Order of the Board,

P. LATILLA-CAMPBELL, London Secretary.

London Office: 120 Moorgate, London, E.C.2.

19th April, 1961.

## SPAARWATER GOLD MINING COMPANY LIMITED

(Incorporated in the Union of South Africa)

### REPORT OF THE DIRECTORS For the Quarter ended 31st March, 1961

Tons milled	33,200	
Total yield ounces fine	10,761	
Total yield per ton (dwt.)	6.483	
		Per Ton Milled
Working revenue	R270,032	R8.13
	(£135,016)	(81s. 4d.)
Cost of mining and milling	R211,389	R6.37
	(£105,695)	(63s. 8d.)
Excess of revenue over cost of mining and milling	R58,643	R1.76
	(£29,321)	(17s. 8d.)
Expenditure on development	R55,948	R1.68
	(£27,974)	(16s. 10d.)
Working profit	R2,695	R0.08
	(£1,347)	(0s. 10d.)
Expenditure on capital account	Nil	
Government taxes	Nil	

#### DEVELOPMENT

**Spaarwater Lease Area.** The total footage advanced by the Company during the quarter amounted to 2,619 feet. The footage sampled amounted to 2,210 feet, of which 470 feet, equal to 21.3 per cent, proved payable at an average value of 8.0 dwt. per ton over an estimated stopping width of 37.5 inches, equivalent to 300 inch-dwt.

Not included above is 1,101 feet of development advanced by The Sub Nigel Limited in the Spaarwater lease area under a tribute agreement with that Company. The footage sampled amounted to 1,005 feet, of which 390 feet, equal to 38.8 per cent, proved payable at an average value of 5.9 dwt. per ton over an estimated stopping width of 40.8 inches, equivalent to 241 inch-dwt.

**Western Section of Mine.** Development in the Western Section continued during the quarter. The footage sampled amounted to 1,410 feet, of which 115 feet, equal to 8.2 per cent, proved payable at an average value of 8.8 dwt. per ton over an estimated stopping width of 37.0 inches, equivalent to 326 inch-dwt.

**Area Held Under Prospecting Permission.** In addition, 719 feet were advanced under prospecting permission in the area outside the western boundary of the mine. The footage sampled amounted to 605 feet, of which 120 feet, equal to 19.8 per cent, proved payable at an average value of 5.4 dwt. per ton over an estimated stopping width of 40.8 inches, equivalent to 220 inch-dwt.

*Development returns show the actual sampling results: adjustments which may be required when estimating ore reserves have not been applied.*

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets on the basis of R2 equals £1 sterling.

By Order of the Board,

P. LATILLA-CAMPBELL, London Secretary.

London Office: 120, Moorgate, London, E.C.2.

13th April, 1961.



# GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

## GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 31st March, 1961

All companies mentioned are incorporated in the Union of South Africa

	BUFFELSFONTEIN GOLD MINING COMPANY LIMITED			ELLATON GOLD MINING COMPANY LIMITED			SOUTH ROODEPOORT MAIN REEF AREAS LIMITED			STILFONTEIN GOLD MINING COMPANY LIMITED			WEST RAND CONSOLIDATED MINES LIMITED		
	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961	Sept. 1960	Dec. 1960	March 1961
<b>PRODUCTION</b>															
<b>GOLD:</b>															
Tons milled	441,000	442,000	446,000	85,000	79,000	76,000	91,000	90,000	85,000	504,000	504,000	517,000	409,000	391,000	391,000
Ounces fine recovered	181,442	182,441	192,637	20,058	18,800	17,660	21,781	21,748	20,648	228,636	229,075	235,206	59,235	57,342	57,188
Yield per ton—dwt.	8.229	8.255	8.638	4.720	4.759	4.647	4.787	4.833	4.853	9.073	9.090	9.099	2.897	2.933	2.925
Revenue per ton milled	—	—	R10.93	—	—	R5.85	—	—	R6.18	—	—	R11.47	—	—	R3.84
	(102/10)	(105/2)	(109/3)	(59/1)	(60/5)	(58/6)	(60/4)	(61/10)	(61/9)	(113/8)	(115/6)	(114/8)	(37/9)	(38/9)	(38/5)
Cost per ton milled	—	—	R6.01	—	—	R4.49	—	—	R4.73	—	—	R6.53	—	—	R3.66
	(58/6)	(58/10)	(60/1)	(42/2)	(43/7)	(44/11)	(45/11)	(45/10)	(47/4)	(64/2)	(64/3)	(65/3)	(35/9)	(37/5)	(36/7)
Profit per ton milled	—	—	R4.92	—	—	R1.36	—	—	R1.45	—	—	R4.94	—	—	R0.18
	(44/4)	(46/4)	(49/2)	(16/11)	(16/10)	(13/7)	(15/3)	(16/0)	(14/5)	(49/6)	(51/3)	(49/5)	(2/0)	(1/4)	(1/10)
<b>URANIUM:</b>															
Tons milled	368,000	336,000	349,000	99,397	99,779	24,759	—	—	—	297,300	323,600	114,405	228,000	228,000	232,000
Tons treated	191,671	186,212	187,574	30,232	31,921	9,471*	—	—	—	89,327	90,649	37,885*	324,447	323,110	371,995
Yield per ton treated—lb.	0.5208	0.5542	0.5375	0.3042	0.3199	0.2818	—	—	—	0.3005	0.2801	0.2715	1.423	1.42	1.40
Uraniun oxide sold—lb.	188,728	188,257	179,750	32,316	30,612	16,384	—	—	—	92,412	92,413	37,360	308,100	308,086	343,000
<b>URANIUM SECTION (WEST RAND CONS)</b>															
Gold—ounces fine recovered	—	—	—	—	—	—	—	—	—	—	—	—	5,203	5,628	5,596
Yield per ton—dwt.	—	—	—	—	—	—	—	—	—	—	—	—	0.456	0.494	0.482
Cost per ton	—	—	—	—	—	—	—	—	—	—	—	—	49/10	49/7	48/4
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(68/5)
<b>FINANCIAL</b>															
<b>GOLD:</b>															
Working revenue	2,268,228	2,323,461	4,873,809	251,043	238,779	444,916	274,549	278,420	524,942	2,864,096	2,910,883	5,931,100	771,749	758,783	1,501,883
	(£2,436,905)	(£2,436,905)	(£4,873,809)	(£222,458)	(£222,458)	(£444,916)	(£274,549)	(£278,420)	(£524,942)	(£2,864,096)	(£2,910,883)	(£5,931,100)	(£771,749)	(£758,783)	(£1,501,883)
Working costs	1,290,189	1,300,530	2,677,713	179,128	172,072	341,410	205,071	206,417	402,072	1,616,801	1,619,500	3,377,150	730,310	731,155	1,431,915
	(£1,338,857)	(£1,338,857)	(£2,677,713)	(£170,705)	(£170,705)	(£341,410)	(£205,071)	(£206,417)	(£402,072)	(£1,616,801)	(£1,619,500)	(£3,377,150)	(£730,310)	(£731,155)	(£1,431,915)
Working profit	978,039	1,022,931	2,196,096	71,915	66,707	103,506	69,478	72,003	122,870	1,247,295	1,291,383	2,554,030	41,439	27,628	69,968
	(£1,098,048)	(£1,098,048)	(£2,196,096)	(£51,753)	(£51,753)	(£103,506)	(£69,478)	(£72,003)	(£122,870)	(£1,247,295)	(£1,291,383)	(£2,554,030)	(£41,439)	(£27,628)	(£69,968)
<b>URANIUM:</b>															
Working revenue	726,939	722,921	1,364,948	134,813	139,923	90,732	—	—	302,499	391,177	381,559	1,180,021*	1,176,602*	1,180,021*	2,634,799*
	(£682,484)	(£682,484)	(£1,364,948)	(£134,813)	(£139,923)	(£90,732)	—	—	(£302,499)	(£391,177)	(£381,559)	(£1,180,021)	(£1,176,602)	(£1,180,021)	(£2,634,799)
Royalties receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Working and treatment costs	151,939	156,920	304,491	87,813	89,923	90,732	—	—	137,499	178,177	166,559	568,408	568,408	565,466	1,161,690
	(£152,346)	(£152,346)	(£304,491)	(£87,813)	(£89,923)	(£90,732)	—	—	(£137,499)	(£178,177)	(£166,559)	(£568,408)	(£568,408)	(£565,466)	(£1,161,690)
Royalties payable	—	—	93,277	—	—	—	—	—	—	—	—	—	—	—	—
	(£46,638)	(£46,638)	(£93,277)	—	—	—	—	—	—	—	—	—	—	—	—
Profit	575,000	566,000	967,000	47,000	50,000	10,000	—	—	175,000	213,000	215,000	175,000	608,194	614,555	1,047,699
	(£483,500)	(£483,500)	(£967,000)	(£47,000)	(£50,000)	(£10,000)	—	—	(£175,000)	(£213,000)	(£215,000)	(£175,000)	(£608,194)	(£614,555)	(£1,047,699)
<b>SULPHURIC ACID: WORKING PROFIT</b>	63,000	61,000	88,000	—	—	—	—	—	—	50,000	47,000	14,000	—	—	—
	(£64,000)	(£64,000)	(£88,000)	—	—	—	—	—	—	(£50,000)	(£47,000)	(£14,000)	—	—	—
Additional revenue	—	—	—	—	—	—	1,750	1,550	3,500	—	—	—	16,800	22,276	27,500
	—	—	—	—	—	—	(£1,750)	(£1,550)	(£3,500)	—	—	—	(£16,800)	(£22,276)	(£27,500)
<b>TOTAL PROFIT</b>	3,251,096	3,251,096	113,506	113,506	113,506	113,506	71,276	71,553	136,370	1,510,205	1,557,383	2,749,030	666,433	666,433	1,145,167
	(£3,251,096)	(£3,251,096)	(£113,506)	(£113,506)	(£113,506)	(£113,506)	(£71,276)	(£71,553)	(£136,370)	(£1,510,205)	(£1,557,383)	(£2,749,030)	(£666,433)	(£666,433)	(£1,145,167)



## JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED GROUP

### MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31st March, 1961 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER.

(All Companies mentioned are incorporated in the Union of South Africa)

**GENERAL REMARKS.**—The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves. The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets at an exchange rate of R2 equals £1 sterling.

#### THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

<b>ISSUED CAPITAL</b> .....	R8,127,106 (£4,063,553)	
(Divided into 4,063,553 shares of R2 (£1) each, fully paid)		
	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS</b>		
Gold Division		
Tons Milled .....	51,000	48,000
Gold Produced—ounces fine .....	9,352	8,040
Yield per ton milled—dwts. ....	3.667	3.350
Cost per ounce .....	R25.20	R25.74
	(25s. 0d.)	(25s. 5d.)
Revenue per ton milled .....	R4.72	R4.39
	(47s. 2d.)	(43s. 11d.)
Cost per ton milled .....	R4.62	R4.31
	(46s. 2d.)	(43s. 1d.)
Profit per ton milled .....	R0.10	R0.08
	(1s. 0d.)	(10d.)
Revenue from Gold and Sundry Revenue .....	R240,957	R210,822
	(£120,478)	(£105,411)
Less: Working Costs .....	R235,699	R206,960
	(£117,849)	(£103,480)
<b>ESTIMATED PROFIT</b> .....	R5,258	R3,862
	(£2,629)	(£1,931)
<b>Uranium Division</b>		
Tons milled .....	429,000	435,000
Cost per ton milled .....	R7.83	R7.82
	(78s. 3d.)	(78s. 2d.)
Uranium Oxide produced—lbs. ....	443,839	452,041
Yield per ton milled—lbs. ....	1.035	1.039
Uranium Oxide sold—lbs. ....	368,000	446,550
Gold produced—ounces fine .....	20,948	21,447
Yield per ton milled—dwts. ....	.977	.986
Revenue from Uranium Oxide sold .....	R3,429,760	R4,182,352
	(£1,714,880)	(£2,091,176)
Less: Net expenditure attributable to Uranium oxide sold, i.e. mining costs, treatment costs and provision for repayment of Uranium loans less sundry revenue and revenue from Gold in Uranium Ore .....	R3,092,105	R3,604,390
	(£1,546,052)	(£1,802,195)
Profit on Uranium Oxide sold .....	R337,655	R577,962
	(£168,828)	(£288,981)
Net revenue from Acid sold, after providing for repayment of loan attributable to Acid sold ..	R28,345	R29,092
	(£14,172)	(£14,546)
Royalty receivable for transfer of portion of tonnage quota less provision for repayment of Uranium loan attributable thereto .....	R473,400	—
	(£236,700)	—
<b>ESTIMATED PROFIT</b> .....	R839,400	R607,054
	(£419,700)	(£303,527)

**NOTE:** Sales of uranium oxide for the quarter ended 31st March, 1961, and the estimated profit arising therefrom have been based on a *pro rata* of the company's sales entitlement for the year and not on actual production during the quarter under review. Owing to insufficient information the estimated profits for January and February were underdeclared by R13,600 (£6,800).

#### RESULTS OF OPERATIONS

Combined Estimated Profit for quarter—Gold and Uranium Divisions .....	R844,658	R610,916
	(£422,329)	(£305,458)
Less:		
Estimated Taxation .....	This Quarter R330,000 (£165,000)	Last Quarter R292,000 (£146,000)
Contribution towards cost of Atomic Energy Board's Uranium Research Programme .....	R27,558 (£13,779)	R28,606 (£14,303)
Capital Expenditure .....	Nil	R17,566 (£8,783)
	R357,558 (£178,779)	R338,172 (£169,086)
<b>BALANCE OF PROFIT FOR QUARTER</b> .....	R487,100 (£243,550)	R272,744 (£136,372)
Valuation of stocks of Uranium Oxide on hand at end of quarter at estimated net cost of production, exclusive of provision for repayment of Uranium Loans .....	R536,834 (£268,417)	R99,122 (£49,561)
<b>URANIUM LOANS</b>		
Balance of Loans outstanding at end of Quarter ..	R5,675,104 (£2,837,552)	R6,045,704 (£3,022,852)

#### THE RANDFONTEIN ESTATES GOLD MINING CO., WITWATERSAND, LIMITED—continued

<b>DEVELOPMENT</b>		
Total Development—feet .....	27,731	25,954
Gold Division		
Development—feet .....	Nil	64
Sampled—feet .....	—	65
Payable—feet .....	—	35
Percentage payable .....	—	54
Value—dwts. ....	—	7.9
Width—inches .....	—	36
Inch-dwts. ....	—	284
Uranium Division—Bird Reef Series		
Development—feet .....	27,731	25,890
Sampled:		
Feet .....	4,885	5,375
Value—uranium—lbs. ....	2.1	2.3
Value—gold—dwts. ....	3.3	3.7
Width—inches .....	23	21
Inch-lbs.—uranium .....	48	48
Inch-dwts.—gold .....	76	78
Payable:		
Feet .....	*2,245	*2,735
Percentage .....	46	51
Value—uranium—lbs. ....	3.6	3.4
Value—gold—dwts. ....	6.2	5.7
Width—inches .....	20	20
Inch-lbs.—uranium .....	72	68
Inch-dwts.—gold .....	124	114

\* In the case of the Uranium Division payable is based on the combined Gold and Uranium content.

#### GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED LIMITED

<b>ISSUED CAPITAL</b> .....	R140,000 (£70,000)	
(Divided into 5,600,000 shares of 2½ cents (3d.) each, fully paid)		
	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS</b>		
Tons milled .....	138,000	157,000
Gold recovered from current milling—ounces fine ..	23,256	26,066
Recovery per ton dwts. ....	3.370	3.320
Gold recovered from old residues—ounces fine ..	4,710	4,393
<b>RESULTS OF OPERATIONS</b>		
Revenue from gold, silver and osmiridium, including revenue from sales of gold derived from the treatment of old residues .....	R708,260 (£354,130)	R779,584 (£389,792)
Rents and sundry revenue .....	R11,889 (£5,944)	R10,812 (£5,406)
Revenue from sales of salvaged plant and equipment ..	R6,836 (£3,418)	R13,578 (£6,789)
	R726,985 (£363,492)	R803,974 (£401,987)
Less: Working costs .....	R776,333 (£388,166)	R802,608 (£401,304)
Loss from gold mining, treatment of old residues and salvage operations and sundry revenue (last quarter—profit) .....	(Loss) R49,348 (£24,674)	(Profit) R1,366 (£683)
Net revenue from pyrite .....	R154,717 (£77,358)	R158,736 (£79,368)
<b>TOTAL PROFIT FOR QUARTER</b> .....	R105,369 (£52,684)	R160,102 (£80,051)
Less:		
Estimated Taxation and Government share of profits .....	This Quarter R15,000 (£7,500)	Last Quarter R26,400 (£13,200)
Provision for interest on and repayment of pyrite loan .....	R20,700 (£10,350)	R20,700 (£10,350)
Capital Expenditure .....	Nil	Nil
	R35,700 (£17,850)	R47,100 (£23,550)
<b>BALANCE OF PROFIT FOR QUARTER</b> .....	R69,669 (£34,834)	R113,002 (£56,501)
<b>PYRITE LOANS</b>		
Balance of Loans outstanding at end of quarter ..	R269,452 (£134,726)	R287,320 (£143,660)
<b>DEVELOPMENT</b>		
Total Development—feet .....	Nil	Nil



### THE EAST CHAMP D'OR GOLD MINING COMPANY, LIMITED.

ISSUED CAPITAL ..... R519,750 (£259,875)  
(Divided into 2,079,000 shares of 25 cents (2s. 6d.) each, fully paid)

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS</b>		
Tons Milled .....	36,500	37,600
Cost per ton milled .....	R5.20	R5.23
	(52s. 0d.)	(52s. 3d.)
Uranium oxide produced—lbs. ....	28,408	28,531
Uranium oxide sold—lbs. ....	28,408	28,531
Yield per ton milled—lb. ....	.778	.759
Gold produced—ounces fine .....	888	920
Yield per ton milled—dwt. ....	.487	.489
<b>RESULTS OF OPERATIONS</b>		
Uranium Division		
Revenue from Uranium Oxide sold subject to future adjustment .....	R272,877	R281,298
	(£136,438)	(£140,649)
Less: Net Mine Working Costs (i.e., after deducting Sundry Revenue and Revenue from Gold in Uranium Ore), Treatment Costs and Rental Charges .....	R234,118	R236,784
	(£117,059)	(£118,392)
	R38,759	R44,514
	(£19,379)	(£22,257)
Gold Division		
Profit from milling of 4,500 (last quarter 4,500) tons arising from reclamation operations on the Main Reef series .....	R1,047	R890
	(£524)	(£445)
<b>TOTAL OPERATING PROFIT FOR QUARTER</b>	<b>R39,806</b>	<b>R45,404</b>
	<b>(£19,903)</b>	<b>(£22,702)</b>
Less:	This Quarter	Last Quarter
Estimated Taxation .....	R10,400	R12,600
	(£5,200)	(£6,300)

Contribution towards cost of Atomic Energy Board's Uranium Research Programme .... R1,762 (R881) R1,934 (R967)

Provision for interest on and repayment of Uranium Loans ..... R7,810 (R3,905) R7,810 (R3,905)

Capital Expenditure ..... Nil Nil

R19,972 (R9,986) R22,344 (R11,172)

**BALANCE OF PROFIT FOR QUARTER** ..... R19,834 (R9,917) R23,060 (R11,530)

**URANIUM LOANS**  
Balance of Loans outstanding at end of Quarter.. R108,418 (R54,209) R115,094 (R57,547)

<b>DEVELOPMENT</b>		
Development—feet .....	1,799	2,728
Sampled:		
Feet .....	805	1,640
Value—uranium—lbs. ....	2.2	1.7
Value—gold—dwts. ....	1.7	1.4
Width—inches .....	15	16
Inch-lbs.—uranium .....	33	27
Inch-dwts.—gold .....	26	22
Payable:		
Feet .....	*340	*545
Percentage .....	42	33
Value—uranium—lbs. ....	3.1	3.1
Value—gold—dwts. ....	2.3	2.7
Width—inches .....	15	15
Inch-lbs.—uranium .....	47	47
Inch-dwts.—gold .....	35	41

\* Payability is based on the combined gold and uranium content.

### FREDDIES CONSOLIDATED MINES, LIMITED

ISSUED CAPITAL ..... R32,719,826 (£16,359,913)  
(Divided into 16,359,913 shares of R2 (£1) each, fully paid)

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS</b>		
Gold:		
Tons milled .....	184,000	181,000
Gold produced—ounces fine .....	39,624	39,115
Yield per ton milled—dwts. ....	4.31	4.32
Cost per ton milled .....	R6.45	R6.71
	(64s. 6d.)	(67s. 1d.)
<b>RESULTS OF OPERATIONS</b>		
Revenue from Gold and Sundry Revenue .....	R1,023,058	R1,020,126
	(£511,529)	(£510,063)
Less Working Costs .....	R1,186,559	R1,214,572
	(£593,280)	(£607,286)
<b>LOSS ON GOLD MINING</b>	<b>R163,501</b>	<b>R194,446</b>
	<b>(£81,751)</b>	<b>(£97,223)</b>
Uranium—Share of Joint Scheme Profits .....	R260,308	R293,550
	(£130,154)	(£146,775)
Deduct: Contribution towards capital cost of Orange Free State Joint Production Plants .....	R66,308	R69,550
	(£33,154)	(£34,775)
<b>PROFIT</b> .....	<b>R194,000</b>	<b>R224,000</b>
	<b>(£97,000)</b>	<b>(£112,000)</b>
<b>TOTAL PROFIT FOR QUARTER</b>	<b>R30,499</b>	<b>R29,554</b>
	<b>(£15,249)</b>	<b>(£14,777)</b>
Less:	This Quarter	Last Quarter
Interest payable on amounts advanced to the company .....	R24,777	R24,084
	(£12,388)	(£12,042)
Contribution towards cost of Atomic Energy Board's uranium research programme .....	R3,250	R3,930
	(£1,625)	(£1,965)
Capital expenditure .....	Nil	Nil
		R28,027
		(£14,013)

**EXCESS OF INCOME OVER EXPENDITURE FOR QUARTER** ..... R2,472 (R1,236) R1,540 (R770)

In terms of the arrangements advised to members in a circular dated 1st February, 1961, the two treatment plants of the Orange Free State Joint Uranium Production Scheme ceased production during the quarter under review.

The uranium earnings shown above include the working profits from production of uranium to the dates of closure of the respective treatment plants and the net income derived from royalties accrued during the quarter in respect of the transfer to other producers of the balance of the Joint Scheme's uranium sales quota for the five years ending 31st December, 1965.

**LOANS**  
During the quarter under review, R800,000 (£400,000) was repaid to the National Finance Corporation of South Africa. In terms of the arrangement made with Johannesburg Consolidated Investment Company, Limited, that company advanced, on short term loan, the funds required to meet the loan repayments as they fell due.

At 31st March, 1961, the amounts owing to the National Finance Corporation and Johannesburg Consolidated Investment Company, Limited, were R300,000 (£150,000) and R1,050,000 (£525,000) respectively.

	Qtr. ended 31st March, 1961	Qtr. ended 31st Dec., 1960
<b>DEVELOPMENT</b>		
Total Development—feet .....	8,538	7,662
Sampled:		
Feet .....	1,030	665
Value—dwts. ....	47.5	40.3
Width—inches .....	6	6
Inch-dwts. ....	285	242
Payable:		
Feet .....	525	220
Percentage .....	51	33
Value—dwts. ....	62.2	63.4
Width—inches .....	6	6
Inch-dwts. ....	373	380

In addition, 29 feet of development was carried out on the "B" Reef horizon, all of which was on reef. Of this, 25 feet were sampled and found to be unpayable. In view of the arrangements that have been made whereby the company has disposed of its uranium quota, payability is based on gold content only. The figures for the quarter ended 31st December, 1960, have been adjusted accordingly.

### WESTERN AREAS GOLD MINING COMPANY LIMITED

AUTHORISED AND ISSUED CAPITAL: R16,540,000 (£8,270,000)  
PAID UP CAPITAL ..... R16,138,918 (£8,069,459)

(Divided into 16,005,224 units of stock of R1 (10s.) each, 25c. (2s. 6d.) per share paid.)

While the estimated total cost of bringing the mine into production still remains unchanged the accelerated rate of progress has resulted in a rapid absorption of available funds, and on 1st March, 1961, a call was made, of 75 cents (7s. 6d.) per share on 3,970,761 partly paid shares, amounting to R2,978,070.75 (£1,489,035 7s. 6d.). The paid up capital was thereby increased from R13,160,847.25 (£6,580,423 12s. 6d.) to R16,138,918.00 (£8,069,459 0s. 0d.). The amount still to be called on the remaining 534,776 partly paid shares is R401,082.00 (£200,541 0s. 0d.).

#### SHAFT SINKING AND EQUIPPING

Main Shaft	
Shaft Sinking	
Advance for Quarter .....	473 feet
Depth at 31st March, 1961 .....	4,980 feet
Concrete Lining	
Advance for Quarter .....	525 feet
Depth at 31st March, 1961 .....	4,980 feet
The sinking of this shaft was completed on the 3rd March, 1961, and work is in progress on the installation of the permanent shaft equipment.	

#### DEVELOPMENT

The total development footage accomplished during the quarter amounted to 9,450 feet of which 3,528 feet were developed in connection with the shaft and station layouts and 5,922 feet in haulages and main crosscuts.

Excavations for the main intermediate pump station on 33 level commenced during the quarter.

On 36 level the crosscut North has not reached the point of take off for 36 haulages East and West.

On 38 level the haulages East and West reached the strike positions of the first four raises, and four crosscuts have been taken off in a southerly direction to traverse the Elsburg and Ventersdorp Contact Reefs. By the end of the quarter they had not exposed the full succession of reefs. It is not possible correctly to evaluate such reef bands as may be encountered in haulages and crosscuts, and results of sampling will in future be published only in respect of development on reef. Such development will commence during the current quarter.

#### EUROPEAN HOUSING

A further twelve houses for the use of European employees are under construction in Westonaria Township.

#### NON-EUROPEAN ACCOMMODATION

Sufficient accommodation for the non-European complement required for development and initial stoping has been completed.

#### MINE SERVICES

The construction of a cooling pond and one of the main fans has been completed and the erection of the first main compressor is progressing.

#### EXPENDITURE

Capital expenditure during the quarter amounted to R1,200,000 (£600,000) bringing the total capital expenditure to 31st March, 1961, to R12,023,000 (£6,016,000) which sum includes expenditure incurred in establishing and developing the mine as well as the cost of the mining lease, freehold property, mineral rights, prospecting expenditure, preliminary and share issue expenses.

# THE CENTRAL MINING—RAND MINES GROUP

## South African Mining Companies' Directors' Reports for Quarter Ended 31st March, 1961.

Offices of the London Secretaries: 4 London Wall Buildings, E.C.2.

The development values quoted hereunder represent actual results of sampling, no allowance having been made for any adjustments which may be necessary when estimating ore reserves at the ends of the respective financial years.

The South African decimal currency system became effective on 14th February 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of shareholders, monetary figures in these reports are given in Rand with the equivalent sterling shown in brackets on the basis of R2 equals £1 sterling.

### DURBAN ROODEPOORT DEEP, LIMITED.

Ore milled 562,000 tons Yield 103,266 oz. fine. Yield per ton 3.675 dwt. Per Ton Milled

Working Revenue .....	R2,602,782	..	R4.63
	(£1,301,391)	..	(46s. 3d.)
Working Expenditure .....	R2,306,900	..	R4.10
	(£1,153,450)	..	(41s. 0d.)
<b>WORKING PROFIT</b> .....	<b>R295,882</b>	..	<b>R0.53</b>
	(£147,941)	..	(5s. 3d.)

Adjusting for sundry revenue R25,500 (£12,750) the TOTAL PROFIT was R321,382 (£160,691).

Taxation R8,200 (£4,100).

Capital Expenditure R136,800 (£68,400).

**CENTRALISATION OF REDUCTION OPERATIONS AT THE ROODEPOORT UNITED PLANT**—Extensions and improvements to provide for increased capacity at the Roodepoort United Plant are progressing satisfactorily.

**5A SUB-VERTICAL SHAFT**—All work in connection with the deepening and equipping of No. 5A Sub-Vertical Shaft from 45 level to 53 level has been completed.

DEVELOPMENT totalled 20,207 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
Kimberley Reef .....	4,480	2,490	55.6	6.5	50	327
South Reef .....	350	—	—	—	—	—
Main Reef .....	2,910	1,190	40.9	9.9	40	397
<b>TOTALS &amp; AVERAGES</b>	<b>7,740</b>	<b>3,680</b>	<b>47.5</b>	<b>7.4</b>	<b>47</b>	<b>350</b>

No. 1E Sub-Vertical Shaft was sunk 280 feet to a depth of 352 feet below the collar or 187 feet below 41 Station.

### EAST RAND PROPRIETARY MINES, LIMITED.

Ore milled 695,000 tons. Yield 153,431 oz. fine. Yield per ton 4.415 dwt. Per Ton Milled

Working Revenue .....	R3,860,769	..	R5.55
	(£1,930,385)	..	(55s. 6d.)
Working Expenditure .....	R3,505,386	..	R5.04
	(£1,752,693)	..	(50s. 5d.)
<b>WORKING PROFIT</b> .....	<b>R355,383</b>	..	<b>R0.51</b>
	(£177,692)	..	(5s. 1d.)

Adjusting for sundry expenditure R37,300 (£18,650), the NET PROFIT was R318,083 (£159,042).

Taxation R500 (£250).

Capital Expenditure R251,800 (£125,900).

Operational results during the quarter have been affected by the test milling and gradual changing over to the new Central Reduction Plant which is now in full commission and operating satisfactorily. The tonnage milled has increased because of a temporary decrease in sorting and the seasonal influx of Native labour. The yield per ton milled has been adversely affected by absorption in the new plant, by a falling off in the grade of ore from the F. West and G. West longwalls, and to a small extent by the use of low grade Kimberley Reef during the trial milling period.

The Company has applied to the Mining Leases Board for the undermining rights of an area in extent approximately 252 claims on the farms Klippoorjie No. 110 I.R., Klippoorjie No. 112 I.R. and Leeuwpoot No. 113 I.R., District Germiston, adjacent to the Southern boundary of the Company's present mining title.

DEVELOPMENT totalled 14,428 feet.

#### PAYABLE DISCLOSURES

Reef	Footage Sampled	Feet	Per Cent.	Channel Value, Dwt.	Channel Width, Inches	Inch-Dwt.
South Reef .....	500	150	30.0	—	—	—
Main Reef Leader .....	310	—	—	—	—	—
Composite Reef .....	2,160	760	35.2	13.3	31	411
Main Reef .....	1,050	420	40.0	11.5	42	483
<b>TOTALS &amp; AVERAGES</b>	<b>4,020</b>	<b>1,330</b>	<b>33.1</b>	<b>12.1</b>	<b>36</b>	<b>435</b>

### HARMONY GOLD MINING COMPANY LIMITED.

Ore milled .....	535,000 tons
Gold recovered .....	217,790 oz. fine
Gold yield .....	8.142 dwt. per ton
Slimes treated for Uranium .....	535,200 tons
Uranium produced .....	259,400 lb.
Uranium yield .....	0.485 lb. per ton.
Uranium sold (f.o.b.) .....	180,426 lb.
Pyrites concentrate recovered .....	7,187 tons.
Sulphuric Acid produced .....	7,094 tons.

#### GOLD

Working Revenue .....	R5,484,169	..	R10.25
	(£2,742,085)	..	(102s. 6d.)
Working Expenditure .....	R3,392,630	..	R6.34
	(£1,696,315)	..	(63s. 5d.)
<b>Working Profit</b> .....	<b>R2,091,539</b>	..	<b>R3.91</b>
	(£1,045,770)	..	(39s. 1d.)

#### URANIUM, PYRITES AND SULPHURIC ACID

Working Profit .....	R1,166,332
	(£583,166)

<b>TOTAL WORKING PROFIT</b> .....	<b>R3,257,871</b>
	(£1,628,936)

Adjusting for interest on funds borrowed, R70,300 (£35,150) less sundry revenue (net) R44,900 (£22,450), the NET PROFIT was R3,232,471 (£1,616,236).

Dividend No. 10 of 14 cents (1s. 4.8d. U.K. Currency) per share declared on 28th March, 1961, payable on or about 24th May, 1961, to Shareholders registered on 15th April, 1961, (Dr.) R2,520,000 (£1,260,000).

Capital Expenditure, (Dr.) R654,600 (£327,300).

Loan Accounts—Repayments (Dr.) R197,600 (£98,800) and Interest free uranium loan receivable (Cr.) R56,000 (£28,000).

**TAXATION AND LEASE CONSIDERATION**—No South African taxation or Lease Consideration is as yet payable by the Company.

**UNDERGROUND WATER**—During the quarter the water pumped per 24 hours averaged 4,872,000 gallons and for the month of March, 4,655,000 gallons.

**VENTILATION SHAFT**—The fourth main fan was commissioned during January.

**NO. 2 SHAFT**—In addition to the normal reef and off-reef development accomplished during the quarter, 5,355 feet and 6,335 feet of off-reef development was done on 21 and 25 levels respectively.

**URANIUM**—With effect from 1st January, 1961, new agreements for the supply of uranium oxide were concluded between the South African Atomic Energy Board and the overseas purchasers in place of the agreements previously existing between the Board and the Combined Development Agency and Shareholders were informed of the new arrangements in a press announcement on 31st January, 1961. As a result, firstly, of extending the period of delivery of the balance of 1,100 tons of the Company's old contract to supply the Agency from its expiry date in June, 1965, until June, 1969, on the basis of supplying at half the old rate of delivery over double the period; secondly, of extending the period of delivery of the balance of 1,127 tons of the Company's separate contract with the United Kingdom Authority until December, 1970; and thirdly, of taking cession from other producers, on a royalty basis, of the right to supply a total of 814 tons during the period ending 31st December, 1965, this Company will be able to maintain production at approximately full capacity until the end of 1965, and thereafter at approximately half capacity until the end of 1970. Due, however, to the fact that the profits on the quotas acquired will be small, uranium profits over the next five years will not be much more than half the amount which would have been earned under the original contracts.

**SALE OF 397 CLAIMS TO VIRGINIA O.F.S. GOLD MINING COMPANY, LIMITED**—Provisional agreement has been reached for the sale of the mining rights of two portions of the Company's mining lease area together in extent approximately 397 claims, to Virginia Orange Free State Gold Mining Company, Limited, subject to ratification by Shareholders of both Companies.

A circular was issued to all registered Shareholders on 4th April, 1961, containing details of the proposals, and convening an Extraordinary General Meeting for 4th May, 1961, to obtain the necessary ratification by Shareholders of this Company. It is proposed to return the proceeds of this sale to Shareholders over a period by reducing the Company's Share Premium Account.

DEVELOPMENT—Total 24,703 feet.

Reef	Footage Sampled	Feet	Per Cent.	PAYABLE DISCLOSURES				Gold, Dwt.	Uranium, lb.
				Channel Value, Dwt.	Channel Width, Inches	Gold, lb.	Uranium, lb.		
Basal .....	1,785	1,535	86.0	17.3	0.908	27	467	24.52	

**CITY DEEP, LIMITED**

Ore milled 338,000 tons.	Yield 69,948 oz. fine.	Yield per ton 4.139 dwt.
Working Revenue .....	R1,762,202 ..	Per Ton Milled R5.21
Working Expenditure .....	(£881,101) ..	(52s. 1d.)
	R1,735,019 ..	R5.13
	(£867,509) ..	(51s. 3d.)
<b>WORKING PROFIT .....</b>	<b>R27,183 ..</b>	<b>R0.08</b>
	(£13,592) ..	(0s. 10d.)

Adjusting for sundry revenue R17,000 (£8,500), the **TOTAL PROFIT** was **R44,183 (£22,092)**.

Taxation R100 (£50).

Capital Expenditure R66,900 (£33,450).

DEVELOPMENT totalled 8,866 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Channel Dwt. Per Ton	Channel Width, Inches	Inch. Dwt.
South Reef .....	1,590	120	7.5	8.4	32	269
Main Reef Leader .....	790	210	26.6	35.6	14	499
Main Reef .....	470	—	—	—	—	—
<b>TOTALS &amp; AVERAGES</b>	<b>2,850</b>	<b>330</b>	<b>11.6</b>	<b>20.8</b>	<b>20</b>	<b>415</b>

**CONSOLIDATED MAIN REEF MINES AND ESTATE, LIMITED**

Ore milled 139,000 tons.	Yield 30,020 oz. fine.	Yield per ton 4.319 dwt.
Working Revenue .....	R756,333 ..	Per Ton Milled R5.44
Working Expenditure .....	(£378,167) ..	(54s. 4d.)
	R740,153 ..	R5.32
	(£370,077) ..	(53s. 2d.)
<b>WORKING PROFIT .....</b>	<b>R16,180 ..</b>	<b>R0.12</b>
	(£8,090) ..	(1s. 2d.)

Adjusting for sundry revenue R20,200 (£10,100), the **TOTAL PROFIT** was **R36,380 (£18,190)**.

Taxation R5,000 (£2,500).

DEVELOPMENT totalled 1,227 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Channel Dwt. Per Ton	Channel Width, Inches	Inch. Dwt.
Main Reef Leader .....	340	110	32.4	46.0	7	322
Main Reef .....	40	—	—	—	—	—
<b>TOTALS &amp; AVERAGES</b>	<b>380</b>	<b>110</b>	<b>28.9</b>	<b>46.0</b>	<b>7</b>	<b>322</b>

**CROWN MINES, LIMITED**

Ore milled 559,000 tons.	Yield 97,021 oz. fine.	Yield per ton 3.471 dwt.
Working Revenue .....	R2,443,936 ..	Per Ton Milled R4.37
Working Expenditure .....	(£1,221,968) ..	(43s. 8d.)
	R2,434,560 ..	R4.35
	(£1,217,280) ..	(43s. 6d.)
<b>WORKING PROFIT .....</b>	<b>R9,376 ..</b>	<b>R0.02</b>
	(£4,688) ..	(0s. 2d.)

Adjusting for sundry revenue R34,500 (£17,250), the **TOTAL PROFIT** was **R43,876 (£21,938)**.

Taxation R11,600 (£5,800).

DEVELOPMENT totalled 10,475 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Channel Dwt. Per Ton	Channel Width, Inches	Inch. Dwt.
Kimberley Reef .....	1,525	100	6.6	5.4	48	259
South Reef .....	590	90	15.3	7.5	41	306
Main Reef Leader .....	1,870	570	30.5	15.3	28	428
Main Reef .....	2,325	195	8.4	8.9	43	381
<b>TOTALS &amp; AVERAGES</b>	<b>6,310</b>	<b>955</b>	<b>15.1</b>	<b>11.4</b>	<b>34</b>	<b>389</b>

**MODDERFONTEIN EAST, LIMITED**

Ore milled 171,000 tons.	Yield 19,347 oz. fine.	Yield per ton 2.263 dwt.
Working Revenue .....	R488,954 ..	Per Ton Milled R2.86
Working Expenditure .....	(£244,477) ..	(28s. 7d.)
	R481,385 ..	R2.82
	(£240,692) ..	(28s. 2d.)
<b>WORKING PROFIT .....</b>	<b>R7,569 ..</b>	<b>R0.04</b>
	(£3,785) ..	(0s. 5d.)

Adjusting for sundry revenue, R6,700 (£3,350) the **TOTAL PROFIT** was **R14,269 (£7,135)**.

Taxation (Cr.) R800, (£400).

Development totalled 147 feet of which 15 feet were sampled, all of which were unpayable.

**BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED.**

Ore milled .....	401,000 tons
Gold recovered .....	260,003 oz. fine
Gold yield .....	12.968 dwt. per ton
Slimes treated for Uranium .....	528,070 tons
Uranium produced .....	186,275 lb.
Uranium yield .....	0.353 lb. per ton
Uranium sold (f.o.b.) .....	137,639 lb.
<b>GOLD</b>	<b>Per Ton Milled</b>
Working Revenue .....	R6,547,345 ..
Working Expenditure .....	(£3,273,673) ..
Working Profit .....	R2,579,082 ..
	(£1,289,541) ..
	R9.90
	(£1,984,132) ..
	(99s. 0d.)

**URANIUM AND SULPHURIC ACID**

Working Profit .....	R905,000
	(£452,500)
<b>TOTAL WORKING PROFIT .....</b>	<b>R4,873,263</b>
	(£2,436,632)

Adjusting for sundry revenue (net) **R106,400 (£53,200)**, less interest on Uranium and Sulphuric Acid Loans **R34,900 (£17,450)**, the **TOTAL PROFIT** was **R4,944,763 (£2,472,382)**.

Taxation and Lease Consideration .....

Capital Expenditure .....

Uranium and Sulphuric Acid Loan Accounts—Quarterly Instalment—Capital Repayment, **R279,700 (£139,850)**. Interest free loan receivable, Nil, (first instalment due quarter ending 30th September, 1961).

No. 4 SHAFT—During the quarter the shaft entered the solid dolomites and normal sinking operations are now in progress.

URANIUM—With effect from 1st January, 1961, new agreements for the supply of uranium oxide were concluded between the South African Atomic Energy Board and the overseas purchasers in place of the agreements previously existing between the Board and the Combined Development Agency and Shareholders were informed of the new arrangements in a press announcement on 31st January, 1961. As a result firstly of extending the period of delivery of the balance of 972 tons of the Company's old contract, from its expiry date in December, 1963 until December, 1966 on the basis of supplying at half the old rate of delivery over double the period, and, secondly, of taking cession from another producer, on a royalty basis, of the right to supply a total of 740 tons during the period ending 31st December, 1963, this Company will be able to maintain production at approximately full capacity until the end of 1965 and for a further year at approximately half capacity. The profits on the quota acquired will be considerably lower than those on the Company's own contract tonnages and its uranium profits in the period 1st July, 1961, when the changes become fully effective, to 31st December, 1963, will be about half the amount which would have been earned under the original contract.

DEVELOPMENT totalled 19,120 feet.

**PAYABLE DISCLOSURES**

Reef	Footage Sampled	Feet	Per Cent.	Gold, Channel Dwt. Per ton	Uranium, Channel Dwt. Per ton	Gold, Inch. Dwt.	Uranium, Inch. Dwt.
Leader .....	4,590	3,260	71.0	102.2	4,081	6	613
No. 4 Shaft .....	—	—	—	—	—	—	24,484

No. 4 Shaft was sunk 1,250 feet to a total depth of 1,583 feet below the collar.

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# UNION CORPORATION GROUP

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa  
for Quarter ended 31st March, 1961

London Office: Princes House, 95 Gresham Street, London, E.C.2

## VAN DYK CONSOLIDATED MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	216,000	222,000
Gold produced (in oz. fine).....	34,415	34,271
Yield per ton milled (dwt.).....	3.19	3.09
Cost per ton milled.....	R3.85	R3.73
	(38s. 6d.)	(37s. 3d.)
Profit per ton milled.....	R0.17	R0.20
	(1s. 8d.)	(2s. 0d.)
Working revenue.....	R867,708	R871,630
	(£433,854)	(£435,825)
Working costs.....	R831,069	R827,258
	(£415,535)	(£413,629)
Working profit.....	R36,639	R44,392
	(£18,320)	(£22,196)
Sundry revenue/expenditure.....	R9,114	R18,920
	(£4,557)	(£9,460)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share).....	<b>R45,753</b> <b>(£22,877)</b>	<b>R63,312</b> <b>(£31,656)</b>
Estimated taxation and Government's share of profit.....	R7,000 (£3,500)	R3,600 (£1,800)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	No. 5 Shaft Area*
Footage driven.....	395	229
Footage sampled.....	375	190
Footage payable.....	170	130
Percentage payable.....	45	68
Average value—dwt.....	13.2	11.8
Width—inches.....	24	25
Inch/dwt.....	316	296

\* Included in Main Reef.

## LESLIE GOLD MINES, LTD.

### NO. 1A SHAFT

The equipping of the shaft was completed during the quarter and the loading arrangements installed. Work is proceeding on the cutting of the shaft stations, the ore passes and the upper pump station, and a total of 1,383 feet was accomplished. In addition, 65 feet of development was driven on 5 level, all of which was off reef.

### NO. 1 SHAFT

The shaft was sunk 675 feet to a total depth of 2,277 feet and, in addition, 878 feet of station cutting was done.

### REDUCTION WORKS

Work on the construction of the reduction work is proceeding satisfactorily.

### BRENDAN VILLAGE

22 Houses have now been occupied in Brendan mine village, which is being established close to the mine. Work on a further 69 houses is proceeding.

### GENERAL

Good progress is being maintained in the provision of surface facilities.

### EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R1,004,475 (£502,238).

## MARIEVALE CONSOLIDATED MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	290,000	290,000
Gold produced (in oz. fine).....	70,367	71,295
Yield per ton milled (dwt.).....	4.85	4.92
Cost per ton milled.....	R3.60	R3.57
	(36s. 0d.)	(35s. 9d.)
Profit per ton milled.....	R2.52	R2.67
	(25s. 2d.)	(26s. 9d.)
Working revenue.....	R1,774,111	R1,812,582
	(£887,056)	(£906,291)
Working costs.....	R1,044,237	R1,036,662
	(£522,119)	(£518,331)
Working profit.....	R729,874	R775,920
	(£364,937)	(£387,960)
Sundry revenue/expenditure.....	R14,623	R14,046
	(£7,312)	(£7,023)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share).....	<b>R744,497</b> <b>(£372,249)</b>	<b>R789,966</b> <b>(£394,983)</b>
Estimated taxation and Government's share of profit.....	R360,500 (£180,250)	R344,800 (£172,400)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	Kim- berley Reef
Footage driven.....	1,610	3,170
Footage sampled.....	1,150	2,030
Footage payable.....	300	795
Percentage payable.....	26	39
Average value—dwt.....	20.9	9.6
Width—inches.....	9	27
Inch/dwt.....	188	259

## GEDULD PROPRIETARY MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	235,000	234,000
Gold produced (in oz. fine).....	37,412	39,436
Yield per ton milled (dwt.).....	3.18	3.37
Cost per ton milled.....	R3.45	R3.49
	(34s. 5d.)	(34s. 11d.)
Profit per ton milled.....	R0.58	R0.83
	(5s. 10d.)	(8s. 4d.)
Working revenue.....	R946,092	R1,012,688
	(£473,046)	(£506,344)
Working costs.....	R809,198	R817,880
	(£404,599)	(£408,940)
Working profit.....	R136,894	R194,808
	(£68,447)	(£97,404)
Sundry revenue/expenditure.....	R14,127	R690,944
	(£7,064)	(£345,472)
<b>TOTAL PROFIT</b> (Subject to taxation).....	<b>R151,021</b> <b>(£75,511)</b>	<b>R885,752</b> <b>(£442,876)</b>
Estimated taxation.....	R53,300 (£26,650)	R78,200 (£39,100)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Black Reef	Black Reef
Footage driven.....	991	1,672
Footage sampled.....	760	1,280
Footage payable.....	150	350
Percentage payable.....	20	27
Average value—dwt.....	7.9	4.0
Width—inches.....	31	54
Inch/dwt.....	245	215

\* Including dividends.

## THE GROOTVLEI PROPRIETARY MINES, LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS:</b>		
Tons milled.....	640,000	670,000
Gold produced (in oz. fine).....	132,516	138,691
Yield per ton milled (dwt.).....	4.14	4.14
Cost per ton milled.....	R3.19	R3.04
	(31s. 10d.)	(30s. 5d.)
Profit per ton milled.....	R2.03	R2.23
	(20s. 4d.)	(22s. 4d.)
Working revenue.....	R3,339,544	R3,534,794
	(£1,669,772)	(£1,767,397)
Working costs.....	R2,039,770	R2,040,126
	(£1,019,885)	(£1,020,063)
Working profit.....	R1,299,774	R1,494,668
	(£649,887)	(£747,334)
Sundry revenue/expenditure.....	R35,829	R34,724
	(£17,915)	(£17,362)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share).....	<b>R1,335,603</b> <b>(£667,802)</b>	<b>R1,529,392</b> <b>(£764,696)</b>
Estimated taxation and Government's share of profit.....	R672,300 (£336,150)	R756,000 (£378,000)
Capital expenditure.....	Nil	Nil
<b>DEVELOPMENT:</b>		
	Main Reef	Kim- berley Reef
Footage driven.....	4,652	2,776
Footage sampled.....	4,280	1,350
Footage payable.....	2,255	645
Percentage payable.....	53	48
Average value—dwt.....	18.3	52.8
Width—inches.....	13	6
Inch/dwt.....	238	317

## BRACKEN MINES, LTD.

### NO. 1A SHAFT

The equipping of the shaft was completed during the quarter and the loading arrangements installed. Work is continuing on the cutting of the shaft stations, the main pump station and the ore passes, and a total of 1,070 feet was accomplished.

### NO. 1 SHAFT

The shaft was sunk 493 feet to its final depth of 2,681 feet and in addition 511 feet of station cutting was done. Equipping of the shaft has been completed.

### DEVELOPMENT:

Footage driven	Footage sampled	Footage payable	Average value, dwt.	Width ins.	Inch/dwt.
272	105	105	100	25.8	8
204	105	105	100	25.8	8

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

### REDUCTION WORKS

Work on the construction of the Reduction Works is proceeding satisfactorily.

### GENERAL

Good progress is being maintained in the provision of surface facilities.

### EXPENDITURE

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R851,466 (£425,733).

**WINKELHAAK MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled	279,000	282,000
Gold produced (in oz. fine)	95,087	95,664
Yield per ton milled (dwt.)	6.82	6.78
Cost per ton milled	R4.89	R4.77
	(48s. 10d.)	(47s. 8d.)
Profit per ton milled	R3.71	R3.87
	(37s. 1d.)	(38s. 9d.)
Working revenue	R2,398,692	R2,437,594
	(£1,199,346)	(£1,218,797)
Working costs	R1,362,585	R1,345,806
	(£681,293)	(£672,903)
Working profit	R1,036,107	R1,091,788
	(£518,054)	(£545,894)
Sundry revenue/expenditure	R9,442	R22,446
	(£4,721)	(£11,223)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	R1,026,665	R1,069,342
	(£513,333)	(£534,671)
Estimated taxation and Government's share of profit	Nil	Nil
Capital expenditure	R439,404	R383,226
	(£219,702)	(£191,613)
	Kimberley	Kimberley
<b>DEVELOPMENT :</b>		
Footage driven	15,847	14,392
Footage sampled	6,955	4,505
Footage payable	4,920	3,685
Percentage payable	71	82
Average value—dwt.	13.5	14.2
Width—inches	36	35
Inch/dwt.	486	498
No. 2 SHAFT :		

Preliminary sinking was completed by mid-January when a depth of 126 feet had been reached. The change-house and shaft offices are nearly completed and the headgear and main winder are being erected. Pre-cementation of the shaft continues from the two diamond drill holes on site.

**EAST GEDULD MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled	380,000	374,000
Gold produced (in oz. fine)	108,926	108,470
Yield per ton milled (dwt.)	5.73	5.80
Cost per ton milled	R3.71	R3.72
	(37s. 1d.)	(37s. 2d.)
Profit per ton milled	R3.50	R3.67
	(35s. 0d.)	(36s. 9d.)
Working revenue	R2,740,263	R2,764,320
	(£1,370,132)	(£1,382,160)
Working costs	R1,408,896	R1,389,776
	(£704,448)	(£694,888)
Working profit	R1,331,367	R1,374,544
	(£665,684)	(£687,272)
Sundry revenue/expenditure	R33,524	R115,284
	(£16,762)	(£57,642)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	R1,364,891	R1,489,828
	(£682,446)	(£744,914)
Estimated taxation and Government's share of profit	R711,300	R726,600
	(£355,650)	(£363,300)
Capital expenditure	Nil	Nil
<b>DEVELOPMENT :</b>		
	Kimberley	Kimberley
	Reef	Reef
Footage driven	1,412	964
Footage sampled	1,355	730
Footage payable	710	410
Percentage payable	52	56
Average value—dwt.	16.4	16.6
Width—inches	11	12
Inch/dwt.	180	199

\* Including dividends

**ST. HELENA GOLD MINES, LTD.**

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>OPERATIONS :</b>		
Tons milled	530,000	528,000
Gold produced (in oz. fine)	185,948	183,492
Yield per ton milled (dwt.)	7.02	6.95
Cost per ton milled	R4.34	R4.30
	(43s. 4d.)	(43s. 0d.)
Profit per ton milled	R4.49	R4.54
	(44s. 11d.)	(45s. 5d.)
Working revenue	R4,679,326	R4,668,662
	(£2,339,663)	(£2,334,331)
Working costs	R2,297,453	R2,272,104
	(£1,148,727)	(£1,136,052)
Working profit	R2,381,873	R2,396,558
	(£1,190,937)	(£1,198,279)
Sundry revenue/expenditure	R15,568	R3,168
	(£7,784)	(£1,584)
<b>TOTAL PROFIT</b> (Subject to taxation and Government's share)	R2,397,441	R2,399,726
	(£1,198,721)	(£1,199,863)
Estimated taxation and Government's share of profit	R1,238,800	R108,600
	(£619,400)	(£54,300)

Capital expenditure	R110,361	R257,750
	(£55,181)	(£128,875)
<b>DEVELOPMENT :</b>		
	Basal Reef	Basal Reef
Footage driven	22,934	22,329
Footage sampled	9,130	9,820
Footage payable	4,995	5,865
Percentage payable	55	60
Average value—dwt.	16.0	14.5
Width—inches	41	44
Inch/dwt.	654	639

**SURFACE DIAMOND DRILLING :**  
Borehole SH.22, sited some 8,000 feet south-east of No. 4 Shaft was completed during the quarter and intersected the Leader and Basal Reefs with the following results :

	Intersection	Depth feet	Value dwt.	Width ins.	Inch/dwt.	Core Recovery
Basal Reef						
Original		3,411	27.8	11.7	325	*
1st Deflection		3,411	28.6	8.3	237	†
2nd Deflection		3,411	19.65	11.3	222	‡
Leader Reef						
Original		3,370	3.8	6.8	26	*
1st Deflection						
2nd Deflection						

\* Complete. † Complete core but incomplete due to minor faulting. ‡ Incomplete.

**All development values have been discounted to conform with adjustments which are necessary in estimating the ore reserve.**

The South African decimal currency system became effective on 14th February, 1961. South African currency is now expressed in Rand and cents, there being 100 cents in a Rand. For the convenience of Members, monetary figures in these reports are given in Rand with the equivalent sterling shown below in brackets at an exchange rate of R2.00 equals £1 sterling.

news would not necessarily push prices any lower.

Finally, we must not overlook the private South African investor who, despite his first panicky reaction to the Commonwealth conference, is most unlikely to stay out of Kaffirs at bargain basement prices, if only because his capital is in any case tied up in the Union and he must perform sink or swim with it.

### The Industry's Earnings and Dividends are Still Rising

The earnings and dividends from the gold mining industry increased steadily during 1960. This was despite a steep rise in tax revenue, due not to any change in the rate or basis of tax, but to the operation of the tax formula as the new mines' capital expenditure offsets decline. This performance has been maintained during the first quarter of 1961, in which gold output achieved an all-time record.

In view of the overriding importance to South Africa of maximizing her gold sales, gold mining, which already suffers a highly discriminatory rate of tax is unlikely to be afflicted with any additional impost. Indeed the reverse might even prove to be the case, if the government envisages the possibility of South Africa having to go it alone for any considerable period, as in that case new capital would have to come from within the industry both for the much needed expansion in its current rate of gold output and for the opening of new mines to make good the exhaustion of some of the older ones.

### Newer Mines May Again Become the Best Buys

In this connection it may be that we are entering a period in which the attractions of some individual mines with further growth prospects may once again supercede those of the finance houses, if not necessarily of

the portfolio companies. At the beginning of 1960 the gold industry had a stronger financial reserve position than at any time in its history, and there has never been any question of the industry's ability to finance its current capital requirements out of its own resources. Finding capital for new mines is, however another matter and if, for the moment, foreign capital cannot be counted on, we may find that the finance houses will be more concerned with conserving resources than increasing dividends.

### A Closer Look at Present Values

As our table of price movements shows, all sections of gold shares have suffered a sharp setback from the prices ruling on January 19, 1961 which were close to the peak of the September 1960—January 1961 recovery.

Prices in the table are shown as at April 11, but the general level of prices has been

(Continued on page 22)

# ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO., LIMITED.

(Incorporated in the Union of South Africa)

Operating Statistics and Vital Information extracted from the Directors' Reports for Mining Companies associated with the Group for the quarter ended 31st March, 1961, and comparative figures for the previous quarter.

(All Companies mentioned are incorporated in the Union of South Africa)

## HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED.

PRODUCTION		Quarter ended 31st March, 1961		Quarter ended 31st Dec., 1960	
Gold:	Tons milled .....	387,000		367,000	
	Yield—ounces fine .....	178,985		170,781	
	—dwt. per ton milled .....	9.250		9.307	
Uranium:	Tons treated:				
	From current slimes .....	390,000		367,000	
	From surface accumulations .....	1,000		7,000	
	Total .....	391,000		374,000	
	Yield—lb. of uranium oxide .....	258,954		252,791	
	lb. per ton treated .....	0.662		0.676	
	Uranium oxide sold—lb. ....	250,000		259,169	
FINANCIAL INFORMATION					
Gold:		Per ton milled		Per ton milled	
Revenue .....	R4,508,575 (£2,254,287)	R11.65 (116/6)	R4,341,562 (£2,170,781)	R11.83 (118/4)	
Working costs .....	R2,566,600 (£1,283,300)	R6.63 (66/4)	R2,396,660 (£1,198,330)	R6.53 (65/4)	
Working profit .....	R1,941,975 (£970,987)	R5.02 (50/2)	R1,944,902 (£972,451)	R5.30 (53/-)	
Sundry mining revenue .....	R60,000 (£30,000)	R0.15 (1/6)	R60,000 (£30,000)	R0.17 (1/8)	
Total working profit from gold .....	R2,001,975 (£1,000,987)	R5.17 (51/8)	R2,004,902 (£1,002,451)	R5.47 (54/8)	
		Per lb. sold		Per lb. sold	
Uranium:					
Revenue .....	R1,852,050 (£926,025)	R7.41 (74/2)	R1,976,348 (£988,174)	R7.63 (76/3)	
Treatment costs .....	R520,050 (£260,025)	R2.08 (20/10)	R536,348 (£268,174)	R2.07 (20/8)	
Profit from uranium oxide .....	R1,332,000 (£666,000)	R5.33 (53/4)	R1,440,000 (£720,000)	R5.56 (55/7)	
Total Working Profit for Quarter .....	R3,333,975 (£1,666,987)		R3,444,902 (£1,722,451)		
Working costs (gold only) per ounce fine .....		R14.34 (143/5)		R14.03 (140/4)	
Development expenditure per ton milled included in working costs .....		R0.71 (7/2)		R0.76 (7/7)	
The following amounts have not been taken into consideration in calculating the working profit shown above:—					
Interest on loans:					
Uranium loans .....		R39,758 (£19,879)		R37,794 (£18,897)	
Housing and other loans .....		R40,357 (£20,178)		R41,160 (£20,580)	
Royalty payments:					
Virginia and New Klerksdorp .....		R721,350 (£360,675)		—	
		R801,465 (£400,732)		R78,954 (£39,477)	

The following amounts have not been taken into consideration in calculating the working profit shown above:—

Interest on loans:			
Uranium loans	R39,758		R37,794
	(£19,879)		(£18,897)
Housing and other loans	R40,357		R41,160
	(£20,178)		(£20,580)
Royalty payments:			
Virginia and New Klerksdorp	R721,350		—
	(£360,675)		
	R801,465		R78,954
	(£400,732)		(£39,477)

The following transactions on loan account were effected during the quarter:—

Loans receivable:			
Interest free loans, repayable during the period of extended uranium production—1967 to 1970	R362,000		—
	(£181,000)		
Loans repaid:			
Uranium project loans	R134,094		R136,058
	(£67,047)		(£68,029)
Housing loans	R10,143		R21,230
	(£5,071)		(£10,615)
Other loans	Nil		R800,000
			(£400,000)

### CAPITAL EXPENDITURE

Gold production (including R63,110 (£31,555) on capital development)	R586,360		R1,393,546
	(£293,180)		(£696,773)
Uranium plant	R39,222		R49,114
	(£19,611)		(£24,557)
Total	R625,582		R1,442,660
	(£312,791)		(£721,330)

Estimated Taxation and Government's Share of Profits for the nine months ended 31st March, 1961

1961	R3,250,000		
	(£1,625,000)		

### DEVELOPMENT

Footage advanced		22,552		28,172
Sampling results of development on Vaal Reef:				
No. 1 Shaft Area:	Total	Payable	Total	Payable
Footage sampled	3,420	2,895	3,105	2,690
		(84.6%)		(86.6%)
Channel width (inches)	18.8	19.7	20.6	21.0
Inch-dwt. (gold)	323	364	355	392
Inch-lb. (uranium oxide)	35.14	38.46	34.94	37.96
No. 2A and No. 3 Shaft Area:				
Footage sampled	6,105	4,900	9,120	7,460
		(80.3%)		(81.8%)
Channel width (inches)	10.6	10.4	14.7	15.1
Inch-dwt. (gold)	325	380	380	444
Inch-lb. (uranium oxide)	23.80	25.46	23.63	25.79
Total Mine:				
Footage sampled	9,525	7,795	12,225	10,150
		(81.8%)		(83.0%)
Channel width (inches)	13.5	13.9	16.2	16.7
Inch-dwt. (gold)	325	374	374	430
Inch-lb. (uranium oxide)	27.87	30.29	26.50	29.02

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

### SHAFT SINKING AND EQUIPPING

No. 4 Vertical Shaft:				
Footage sunk	1,919 feet		2,840 feet	
Depth below collar	5,558 feet		3,639 feet	
Concrete lining accomplished	1,919 feet		2,840 feet	
Depth of concrete lining below collar	5,528 feet		3,609 feet	

A total of 8,110 cubic feet was excavated in shaft stations.

### GENERAL

The second deflection from borehole HB.25 has reached a depth of 7,565 feet and is in hanging-wall quartzites of the Vaal Reef.  
A pilot Radiometric Sorting Plant has been erected and commissioned for experimental purposes.

## RAND LEASES (VOGELSTRAISFONTEIN) GOLD MINING COMPANY LIMITED

	Quarter ended 31st March, 1961		Quarter ended 31st Dec., 1960	
<b>PRODUCTION</b>				
Tons milled .....		551,000		560,000
Yield—ounces fine .....		75,573		79,328
—dwt. per ton milled .....		2.743		2.833
		Per ton milled		Per ton milled
<b>FINANCIAL INFORMATION</b>				
Revenue from gold .....	R1,903,908	R3.46	R2,015,758	R3.60
	(£951,954)	(34/7)	(£1,007,879)	(36/0)
Working costs .....	R1,938,808	R3.52	R2,000,300	R3.57
	(£969,404)	(35/2)	(£1,000,150)	(35/9)
Working loss .....	R34,900	R0.06	*R15,458	*R0.03
	(£17,450)	(-7)	(£7,729)	(-3)
Sundry mining revenue .....	R13,500	R0.02	R11,800	R0.02
	(£6,750)	(-2)	(£5,900)	(-3)
Net Working Loss for Quarter .....	R21,400	R0.04	*R27,258	*R0.05
	(£10,700)	(-5)	(£13,629)	(-6)
				* Working Profit
Working costs per ounce fine .....		R25.65		R25.22
		(256/6)		(252/2)
Development expenditure per ton milled included in working costs .....		R0.19		R0.22
		(1/11)		(2/2)
Capital Expenditure .....	R4,496		R48,028	
	(£2,248)		(£24,014)	

Estimated Taxation for the nine months ended 31st March, 1961

31st March, 1961		R12,000		
		(£6,000)		
<b>DEVELOPMENT</b>				
Footage advanced		6,189	8,492	
Sampling results obtained:—				
Main Reef Series				
Footage sampled	Total	Payable	Total	Payable
	1,795	1,460	2,460	1,350
		(81.3%)		(54.9%)
Channel width—inches	17.9	18.0	23.6	21.2
Inch-dwt.	286	336	198	299
Bird Reef				
Footage sampled	850	240	930	240
		(28.2%)		(25.8%)
Channel width—inches	43.9	45.4	43.1	53.2
Inch-dwt.	103	185	101	214
Kimberley Reef				
Footage sampled	160	60	590	50
		(37.5%)		(8.5%)
Channel width—inches	50.4	61.0	58.8	65.0
Inch-dwt.	149	276	124	194
Total—All Reefs				
Footage sampled	2,805	1,760	3,980	1,640
		(62.7%)		(41.2%)
Channel width—inches	27.6	23.2	33.4	27.3
Inch-dwt.	222	313	165	284

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding ore reserve.)



### VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Gold: Tons milled	385,000	399,000
Yield—ounces fine	80,834	85,724
—dwt. per ton milled	4.199	4.297
Uranium: Tons treated	351,780	429,000
Yield—lb. of uranium oxide	114,817	161,880
—lb. per ton treated	0.326	0.377
Uranium oxide sold—lb.	56,113	164,890
<b>FINANCIAL INFORMATION</b>		
Gold:		
Revenue	R2,039,241 (£1,019,621)	R5.29 R2,179,798 (£1,089,899)
Working costs	R2,310,925 (£1,155,463)	R6.00 R2,217,258 (£1,108,629)
Working loss	R271,684 (£135,842)	R0.71 R37,460 (£18,730)
Sundry mining revenue	R26,000 (£13,000)	R0.07 R42,346 (£21,173)
Net working loss from gold	R245,684 (£122,842)	R0.64 *R4,886 (£2,443)
		Per lb. sold * Working Profit Per lb. sold
Uranium Oxide Revenue	R444,304 (£222,152)	R7.92 R1,405,502 (£702,751)
Treatment costs	R158,001 (£79,000)	R2.82 R507,502 (£253,751)
Profit from uranium oxide production	R286,303 (£143,152)	R5.10 R898,000 (£449,000)
Uranium royalty received	R513,948 (£256,974)	—
Total profit from uranium	R800,251 (£400,126)	R898,000 (£449,000)
Estimated profit from acid	R166,899 (£83,449)	R184,332 (£92,166)
Total Working Profit for Quarter	R721,466 (£360,733)	R1,082,218 (£543,609)
Working costs (gold only) per ounce fine	R28.59 (285/10)	R25.87 (258/8)
Development expenditure per ton milled included in working costs	R0.82 (8/2)	R0.52 (5/2)

The following amounts have not been taken into consideration in calculating the working profit shown above:

- (a) Debenture and Loan Stocks, Housing and other loans—Interest R99,538  
(£49,769)
- (b) Loans obtained for Acid and Uranium production—Interest R74,186  
(£37,093)
- Loan Repayment R365,252  
(£182,626)

#### CAPITAL EXPENDITURE

Gold production	R251,922 (£125,961)	R47,162 (£23,581)
Uranium and acid plants	R3,993 (£1,996)	R26,330 (£13,165)
<b>Total</b>	<b>R255,915</b> <b>(£127,957)</b>	<b>R73,492</b> <b>(£36,746)</b>

Taxation and Government's share of profits for the quarter ended 31st March, 1961 Nil

#### DEVELOPMENT

Footage advanced	10,409	16,510
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This includes 682 feet of development advanced in the proposed Merriespruit Tribute Area, 117 feet in Harmony Area "A" and 81 feet in Harmony Area "B".

In addition 3,716 feet of development were done by Harmony Gold Mining Company Limited, for and on behalf of this company in Harmony Area "A".

Sampling results of development on Basal and Leader Reefs in the Virginia Lease Area:

	Total	Payable	Total	Payable
Footage sampled	5,055	1,150 (22.7%)	7,845	2,055 (26.2%)
Channel width (inches)	33.3	32.7	28.2	29.2
Inch-dwt. (gold)	130	290	125	266
Inch-lb. (uranium oxide)	11.38	21.83	10.77	22.14

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

#### SHAFT SINKING

<b>21-17A Sub-Incline Shaft</b>	
Footage sunk	206 feet
Depth below 31 level	226 feet
<b>31-29 Sub-Incline Shaft</b>	
Footage raised	221 feet
Height above 31 level	221 feet
<b>31-28 Sub-Vertical Shaft</b>	
Footage raised at incomplete dimensions	51 feet
Height above 31 level	42 feet

### ANGLO-TRANSVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this company for the quarter ended 31st March, 1961, totalled 306,279 tons. (Quarter ended 31st December, 1960—312,765 tons.)

Both totals are subject to correction for road loading tonnage.

### EASTERN TRANSVAAL CONSOLIDATED MINES, LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Tons milled	57,300	58,600
Yield—ounces fine	17,599	17,799
—dwt. per ton milled	6.143	6.075
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	R441,723 (£220,861)	R454,054 (£227,027)
Working costs	R378,889 (£189,444)	R387,620 (£193,810)
Working profit	R62,834 (£31,417)	R66,434 (£33,217)
Sundry mining revenue	R18,942 (£9,471)	R19,582 (£9,791)
Total Working Profit for Quarter	R81,776 (£40,888)	R86,016 (£43,008)
Capital Expenditure	R27,563 (£13,781)	R30,006 (£15,003)
<b>DEVELOPMENT</b>	8,878	9,242
Footage advanced		
<b>SHAFT SINKING AND EQUIPMENT</b>		
New Consort Gold Mine		
Prince Consort Shaft		
Footage sunk	105 feet	153 feet
Depth below collar	2,804 feet	2,699 feet
The shaft has reached a depth of 60 feet below 37 level.		

#### GENERAL

##### Agnes Mine

Reconditioning of the old Woodbine shaft is continuing and at the end of the quarter had reached a depth of 400 feet below the collar. Work on the hoist and headgear is still in progress.

At the Golden Hill Mine the adit to afford access to the old workings was completed and prospecting on the 2nd and 3rd levels has commenced.

### VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>PRODUCTION</b>		
Tons milled (including 26,840 tons from accumulated slimes)	98,600	87,500
Yield—ounces fine	12,379	12,281
—dwt. per ton milled	2.511	2.807
<b>FINANCIAL INFORMATION</b>		
Revenue from gold	R312,320 (£156,160)	R312,194 (£156,097)
Working costs	R324,048 (£162,024)	R337,500 (£168,750)
Working loss	R11,728 (£5,864)	R25,306 (£12,653)
Sundry mining revenue	R2,700 (£1,350)	R0.03 R1,800 (£900)
Net Working Loss for Quarter	R9,028 (£4,514)	R23,506 (£11,753)
Working costs per ounce fine	R26.18 (261/10)	R27.48 (274/10)
Development expenditure per ton milled included in working costs	R0.23 (2/4)	R0.27 (2/9)
Capital Expenditure	R16,501 (£8,250)	R37,182 (£18,591)
Estimated Taxation for the nine months ended 31st March, 1961	Nil	
<b>DEVELOPMENT</b>		
Footage advanced	4,106	4,187
Reconditioning footage	2,469	2,140

#### GENERAL

The Village Incline Shaft has now advanced 195 feet inside the Robinson Deep property and development on South Reef has commenced on two levels.

##### Insurance Claim

The company has received an amount of R16,138 (£8,069) for loss of profits and standing charges and R4,732 (£2,366) for material damage resulting from the fire reported in the September, 1960, quarter.

### ZANDPAN GOLD MINING CO., LTD.

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960
<b>FINANCIAL INFORMATION</b>		
Capital Expenditure	R561,974 (£280,987)	R1,166,452 (£583,226)
Total Capital Expenditure up to 31st March, 1961, amounted to R8,360,598 (£4,180,299) (including R516,773 (£258,386) Preliminary and Share Issue Expenses).		
<b>SHAFT SINKING AND EQUIPPING</b>		
Footage sunk	988 feet	425 feet
Depth below collar	6,532 feet	5,544 feet
Concrete lining accomplished	988 feet	425 feet
Depth of concrete lining below collar	6,502 feet	5,514 feet

A total of 20,891 cubic feet was excavated in the cutting of a service station on the 6,300 feet horizon and a main station on the 6,500 feet horizon.

Work on the foundations for two surface fans is in progress.

#### GENERAL

An additional block of single quarters have been erected in the compound.

### LORAINÉ GOLD MINES, LIMITED

		Quarter ended 31st March, 1961		Quarter ended 31st Dec., 1960	
<b>PRODUCTION</b>					
Gold: Tons milled		245,000		245,000	
Yield—ounces fine		61.860		54.230	
—dwt. per ton milled		5.050		4.427	
<b>FINANCIAL INFORMATION</b>					
Gold:			Per ton milled		Per ton milled
Revenue	R1,558,745	R6.36	R1,377,808	R5.62	
	(£779,372)	(63/7)	(£688,904)	(56/3)	
Working costs	R1,590,668	R6.49	R1,461,700	R5.96	
	(£795,334)	(64/10)	(£730,850)	(59/8)	
Working loss	R31,923	R0.13	R83,892	R0.34	
	(£15,962)	(1/3)	(£41,946)	(3/5)	
Sundry mining revenue	R6,000	R0.02	R6,000	R0.02	
	(£3,000)	(-2)	(£3,000)	(-3)	
Net working loss from gold	R25,923	R0.11	R77,892	R0.32	
	(£12,962)	(1/1)	(£38,946)	(3/2)	
<b>Uranium:</b>					
Share of profit of Orange Free State joint uranium production scheme	R210,000		R198,000		
	(£105,000)		(£99,000)		
<b>Total</b>	<b>R184,077</b>		<b>R120,108</b>		
	<b>(£92,038)</b>		<b>(£60,054)</b>		
Working costs (gold only) per ounce fine		R25.71		R26.95	
		(257/1)		(269/6)	
Development expenditure per ton milled included in working costs		R0.37		R0.37	
		(3/8)		(3/8)	

#### Notes:

(i) The uranium profit of R210,000 (£105,000) consists of this company's share of the working profit from uranium oxide produced by the joint treatment plants at Welkom and President Steyn prior to their closure during the quarter, and share of the net revenue from royalties received in respect of the transfer of the joint sales quota to other producers.

(ii) All information relating to uranium production is provisional and subject to adjustment. The following amounts have been taken into consideration in calculating the profit shown above:—

(a) 6% Registered Unsecured Notes:		
—Interest	R16,398	R16,398
	(£8,199)	(£8,199)

(b) Housing Loans:		
—Interest	R2,479	R1,421
	(£1,240)	(£710)
—Loan Repayment	Nil	Nil
<b>CAPITAL EXPENDITURE</b>		
Gold production (including R257,527 (£128,763) in respect of underground development charged to capital)	R466,622	R794,242
	(£233,311)	(£397,121)
Uranium:		
Contribution towards capital cost of joint uranium plants	R77,236	R71,164
	(£38,618)	(£35,582)
	<b>R543,858</b>	<b>R865,406</b>
	<b>(£271,929)</b>	<b>(£432,703)</b>

Taxation and Government's share of profits for the half year ended 31st March, 1961 Nil

<b>DEVELOPMENT</b>				
Footage advanced	22,139		19,130	
Sampling results obtained:—				
“B” Reef	Total	Payable	Total	Payable
Footage sampled	565	425	545	245
		(75.2%)		(45.0%)
Channel width (inches)	18.4	19.6	16.7	15.3
Inch-dwt. (gold)	316	396	329	662
<b>Elsburg Reefs</b>				
Footage sampled	2,390	1,735	2,470	1,675
		(72.6%)		(67.8%)
Channel width (inches)	30.3	29.8	47.6	30.5
Inch-dwt. (gold)	622	821	680	931
<b>Total—All Reefs</b>				
Footage sampled	2,955	2,160	3,015	1,920
		(73.1%)		(63.7%)
Channel width (inches)	28.0	27.8	42.0	46.0
Inch-dwt. (gold)	564	737	617	897

Note: Development on Basal Reef has been suspended.

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

#### SHAFT SINKING AND EQUIPPING

##### No. 3 Shaft

Work has commenced on the ore and waste passes from the 48th to the 46th level. Installation of the tipping arrangements below the 48th level is nearing completion.

Reef development is now being concentrated on the 52nd, 50th and 48th levels. The excavation of the pump chamber at 5,619 feet below the collar has been completed and work on two settler cross-cuts is in progress.

### CONSOLIDATED MURCHISON (TRANSVAAL) GOLDFIELDS AND DEVELOPMENT COMPANY LIMITED

	Quarter ended 31st March, 1961	Quarter ended 31st Dec., 1960	Taxation for the three months ended 31st March, 1961	
<b>PRODUCTION</b>			R57,000	
Tons crushed	36,800	41,900	(£28,500)	
<b>FINANCIAL INFORMATION</b>				
Profit from antimony and gold	R194,908	R382,620		
	(£97,454)	(£191,310)		
Capital Expenditure	R2,737	R86,886		
	(£1,368)	(£43,443)		
<b>DEVELOPMENT</b>				
Footage accomplished all of which was developed in connection with the antimony/gold ore bodies			2,454	1,788
Footage sampled			700	250
Payable footage on account of combined antimony and gold content			285	250
Percentage payable			41	100

little changed between then and our going to press on April 25.

Amongst the new mines, those paying a nominal rate of dividend or no dividends have at times been particularly badly affected by the setback. This is not surprising as the tendency during the market recession is to seek investments offering a good yield, and investors holding this type of share are less likely to sell than the speculator who is attracted by the growth possibilities of the developers and semi-developers in periods of market buoyancy.

If the present setback is to be a lengthy one, the relative popularity of good dividend payers may be even greater than in the past because of the entry of South African institutions such as Sanlam and the South African Mutual into the gold share market in recent years. This is a factor which may over-shadow the longer-term possibilities of the developing mines while the market is in an uncertain condition.

**Group 1.** Of the mines in this group, Blyvoors, West Driefontein and Western Holdings offer the likelihood of a continuation of the gradual increase in dividends which has been a feature of these shares in recent years. Libanon, Vaal Reefs and Winkelhaak are other mines which offer the prospect of increased dividends subject to capital expenditure requirements. Similarly, a rise in Welkom's pay-

ments is likely, although it will be limited by the need to repay loans in the next year or two. Looking slightly further ahead, St. Helena and Stilfontein hold out every prospect of higher dividends on recent development trends.

Of the other mines in this section, Buffelsfontein, President Brand and Western Reefs seem likely to maintain their present dividend rates and all three offer some prospect of an increase in the longer-term, given reasonable development.

The Harmony dividend is safe until the mine incurs liability for taxation which is likely to reach a fairly high level in the latter months of 1962. Nevertheless, if allowance is made for the projected capital return of 3.6d. per cent a half year for the next 5½ years, there is the prospect of good dividends for several years to come when allowance is made for uranium revenue over the extended contract period.

Some further reduction in the annual declarations by Doornfontein and Harties is possible but these should not be drastic. With heavy capital expenditure and approaching liability for tax, the F.S. Geduld dividend outlook is rather obscure.

**Group 2.** Here Loraine may pay a token dividend in September 1962. Maiden declarations by the other developers cannot be guessed at yet. Nevertheless, if development is in reasonable accord with the

boreholes, shares such as Bracken, Leslie, Loraine, Western Areas and Western Deep Levels should ultimately pay extremely attractive dividends relative to the depressed prices which the shares have reached on setbacks in recent weeks.

There is no reason why those committed to gold shares should not continue to hold a reasonable proportion of developers in their portfolios in view of the attractive long-term possibilities.

**Group 3.** With the announcement of the new uranium arrangements, the old gold/uranium shares in this group, with the exception of East Champ which has an extremely limited life under any circumstances, may be considered in much the same class as fixed interest stocks—providing an adequate proportion of the high dividends are set aside to amortise the capital invested. While not without interest for certain specialist purposes, they will not appeal to the normal gold share investor. They have displayed considerable resistance on the recent setback partly because of their limited appeal in a buoyant market and also because of the relatively certain dividend picture now that the doubts surrounding uranium in the remaining contract periods have been removed.

**Group 4.** With the uncertainties regarding land values engendered by the plans to develop industry on the borders of the Native

reserves, interest in these shares will be confined to periods when the question of an increase in gold price or of a devaluation of the Rand are topical.

Their possibilities as break-ups have also been lessened by the recent announcements by Modder East and Consolidated Main Reef that certain companies, who are shareholders, have blocked the move to revert from dividend payments to tax-free capital repayments. With the recent changes in the South African Income Tax Act, this will detract from the appeal of this type of share to South Africans in a high tax bracket as well as to their British counterparts.

A group of South African investment companies which has large shareholdings in the two mines concerned is also largely interested in City Deep, Crown Mines and New Kleinfontein so that a switch from dividend payments to capital returns in due course cannot be taken for granted.

**Group 5.** A few of these shares will no doubt continue to attract attention as yield sweeteners, but with the relatively attractive yields now offering on the newer long-life, high-grade mines, the investor will be well advised to concentrate largely on the leading shares, where the need to provide for amortisation of an investment is relatively slender.

#### No Change in U.K. Shareholders Tax Liability

Many U.K. shareholders have, quite understandably, been showing some concern as to their new taxation position after South Africa leaves the Commonwealth on May 31. Concern as to the immediate future is, however, unfounded as the new South Africa Temporary Provisions Act 1960/61 covers, albeit indirectly, the present relief that U.K. shareholders receive on their South African dividends under the provisions of Sect. 348 and the 17th Schedule of the Income Tax Act 1952, which provides for unilateral relief for taxes payable in territories within the Commonwealth.

As to the future, it is thought unlikely that the United Kingdom would be prepared to enter a reciprocal agreement under the provisions of the Double Taxation Agreements, yet it is equally unlikely that no provisions will be made at all. It has been suggested that a likely final outcome is that under the terms of Sect. 348 sub-section (6), South Africa will continue to be defined as part of the Commonwealth. The precedent for this has been established in the case of Sudan. If this in fact turns out to be the case then there will be no change in the existing position, even after the expiry of the Temporary Provisions Act.

#### Higher Labour Efficiencies for Lower Costs and Higher Output

Both for the operating mines and for the State, a much more important factor than tax is the problem of higher operating efficiency for the dual purpose of increasing the rate of gold output and combatting mounting costs now that the prospect of a rise in the gold price has again receded.

This is a matter of particular importance in the case of those marginal mines which have plenty of ore still to be mined. The State needs the gold and the shareholder has a mine which will be paying a relatively low rate of tax so that he will therefore be bearing himself the greater part of any reduction in profits from rising costs. Rising output may well provide the answer, especially where it may prove possible to

### PRICE MOVEMENTS 1960—61

(Excluding mines returning capital)

	Price				Dividends		Gross Yield
	Mid-July '60	Oct. 19, '60	Jan. 19, '61	Apr. 12, '61	1959/60	1960/61	Apr. '61
<b>1. NEW MINES—DIVIDEND PAYERS</b>							
Blyvooruitzicht	25/-	28/-	30/6	25/9	2/3	2/6.6	9.7
Buffelsfontein	39/-	43/-	44/6	35/6	3/3	3/7½	10.1
Doornfontein	28/-	26/9	29/-	25/3	3/-	2/10.8	11.3
Free State Geduld	112/6	132/6	120/7½	93/9	8/-	8/6	8.9
Harmony	27/-	30/-	30/6	23/3	2/6	2/9.3	11.7
Hartebeestfontein	43/-	46/6	54/-	45/3	6/6	5/6	12.0
Libanon	12/1½	14/7½	16/9	11/4½	7	9.3	6.6
President Brand	58/-	61/6	64/9	48/9	5/6	5/6	10.9
President Steyn	20/6	20/6	20/9	17/-	2/3	1/9	10.1
St. Helena	62/6	78/6	78/9	56/3	4/-	5/0.6	8.8
Stilfontein	29/6	33/6	36/3	29/6	3/6	3/-	10.0
Vaal Reefs	38/9	43/9	45/-	37/6	3/6	3/6	9.0
Welkom	13/6	16/-	19/7½	13/7½	6	8.1	4.8
West Driefontein †	77/9	87/9	101/3	77/6	4/6†	5/6.3	7.0
Western Holdings	111/3	140/-	156/10½	120/-	9/-	10/-	8.2
Western Reefs	25/-	28/-	30/3	24/-	2/6	2/6	10.2
Winkelhaak	19/6	24/6	27/9	20/6	—	10	4.0
<b>2. NEW MINES—NON-DIVIDEND PAYERS</b>							
Bracken	22/6	27/-	31/6	20/9	—	—	—
Freddies Cons.	1/9	2/-	2/4½	1/3	—	—	—
F. S. Saaiplaas	10/-	10/7½	8/9	6/3	—	—	—
Leslie	13/3	19/3	21/9	17/-	—	—	—
Lorraine	24/6	23/7½	26/9	18/3	—	—	—
Merriespruit	1/8	2/6	3/2	1/3	—	—	—
Virginia	3/3	3/6	4/9	3/-	—	—	—
Western Areas	13/-	14/10½	20/9	15/9	—	—	—
Western Deep	36/3	43/6	47/6	33/-	—	—	—
Zandpan	13/9	12/6	13/-	9/6	—	—	—
<b>3. OLD GOLD/URANIUM</b>							
Daggafontein	17/3	18/9	23/3	18/6	2/6	4/-	21.0
East Champ.	2/-	1/6	2/-	1/6	6	6	28.5
Luipaards Vlei	6/10½	7/-	8/3	7/9	2/-	2/-	25.0
Randfontein	15/9	15/9	23/3	19/3	4/-	3/-	15.2
West Rand Cons.	16/9	18/3	20/6	17/-	4/3	4/3	24.3
<b>4. OLD MINES VALUED LARGELY ON BREAK-UP</b>							
City Deep	13/6	14/6	22/3	12/6	1/3	1/3.9	10.2
Cons. Main Reef	13/-	13/9	14/6	12/9	2/9	3/-	22.6
Crown Mines	21/-	22/6	28/6	20/3	3/9	4/-	19.3
Modderfontein E.	11/-	12/3	12/-	9/-	1/-	1/-	10.5
New Kleinfontein	3/3	3/6	6/3	3/6	—	—	—
<b>5. OTHER OLDER MINES</b>							
Durban Deep	24/6	29/-	36/3	24/-	3/-	3/-	12.2
East Daggafontein	8/-	8/10½	10/7½	7/4½	1/3	1/4½	18.5
East Geduld	15/10½	17/3	20/3	16/3	3/8	3/5.6	20.7
East Rand Prop.	26/3	28/6	40/9	27/6	3/6	3/3	11.3
Geduld Prop.	49/4½	55/-	57/6	40/-	9/9	6/11.2	16.8
Grootvlei	17/3	18/6	22/6	17/6	2/6	2/5.8	13.8
Marievale	23/9	25/-	28/-	23/6	2/11	3/4.8	14.2
S. A. Land	11/9	14/3	18/9	13/6	1/9	1/-	7.1
Venterspost	18/9	21/6	22/9	17/6	1/9	2/-	11.1
Vlakfontein	15/6	16/4½	17/3	15/3	1/11	2/0.2	12.8
Wit Nigel	1/-	1/-	1/1½	10½	1½	1½	12.5

† adjusted for scrip issue.

(Continued on page 24)



achieve this without any heavy capital investment in new shafts or mill extensions.

Over the past ten years mining costs on the post-war mines have been rising fairly steadily at an average rate of about 2½ per cent per ton per annum despite very substantial increases in tonnages, without which the rise in unit cost would have been more. This is a rough measure of the rate of inflation to which the industry has been subjected. How far this process will be accelerated as the government moves towards its aim of higher African living standards and consequently of earnings, remains to be seen.

Significantly one of the remarkable characteristics of the industry in this period has been the resilience of marginal producers in the face of rising costs which have been persistently fought off by higher efficiencies and in some cases larger tonnage throughputs, and small increases in mill grades.

As we show in an article entitled "South Africa's Quest for Higher Labour Efficiencies" on page 473 of this week's issue, labour, and more especially European labour, is the largest item in mine costs. It is also the one which appears to offer the greatest scope for economy and with African labour now quantitatively at an all-time peak, the gold industry's attention is becoming increasingly centred on raising labour efficiencies by better training and improved mining methods.

#### Labour Efficiency Potential as Guide to Share Values

Thus, the extent to which any given mine will prove amenable to higher labour efficiencies may, in a climate of declining gold price hopes, provide quite as significant a basis for share classification as does the

more conventional classification by grade or profit per ounce.

Quite apart from cost savings, it will be apparent that some of the means of achieving higher labour efficiencies could in many cases lead also to a higher rate of gold output. To the extent that the short term maximisation of South Africa's gold output is likely to be an important factor in stabilising her balance of payments position and consequently in her being able to pursue her desired racial policies more rapidly and therefore with greater prospect of success, many investors may feel that this could be quite as important a benefit of improved efficiencies as is the purely cost aspect of the matter.

Taken together they certainly constitute two of the most encouraging features, not merely of the gold industry itself, but equally of the outlook for the whole South African economy.

## HIGHLIGHTS FROM THE QUARTERLIES

Doornfontein have announced the results of the two boreholes that have been drilled from the 15 level footwall drive west. These two holes have extended the area of the Carbon leader considerably further west than was previously anticipated. The values shown by these boreholes are good when the friability of the reef is considered.

Having started trial milling during the December quarter F.S. Saaiplaas is now milling 50,000 t.p.m. under normal conditions. Over the full March quarter a loss has been shown but the company showed a maiden profit for the month of March.

Western Deep levels, who have now exhausted the capital funds so far raised, have announced their plans for raising further capital. The original rights offer to "B" shareholders at 45s. has been reduced to 30s. and a second rights offer to both "A" and "B" holders, also at 30s., has been made. These offers, which have been underwritten, will raise a further £8,400,000.

The life of Virginia has been extended by the purchase from Harmony of two areas adjoining the Virginia western boundary. These areas are to be worked by Virginia for six years until June 30, 1967. Also, Virginia is to work some 320 claims of the Merriespruit lease area on a five-year tribute basis.

Vaal Reefs and Western Reefs are now operating a joint scheme for the production of uranium. Together the two mines have purchased additional quotas on a royalty basis and have extended the new contract until 1970.

The labour force in the whole industry has been standing at a record figure during the past months. At Welkom particularly the Native labour compliment is well above average. So much so in fact, that it has not been possible to employ the additional labour entirely on stoping and thus transfers have been made to development. This has had the effect of increasing the overall costs, but in pushing the development

ahead of current requirements the mine is building up a valuable reserve against a possible fall in the labour supply in the future.

Loraine have now proved the continuity of the Elsburg series from the old Loraine boundary down to the No. 3 shaft area. So far eight different reefs have shown payable values. At present there are no immediate plans to increase the milling capacity, though it would be possible to increase the throughput to 115,000 t.p.m. without an additional ventilation shaft.

Under the terms of the "South Africa Temporary Provisions Bill", South Africa is to be regarded as being part of the Commonwealth for a further twelve months following Republic Day. The provisions of this Bill cover the taxation position of U.K. shareholders at present receiving double taxation relief on their South African shares.

An automatic reef sorter is now on trial at Harties in a pilot plant. This sorter, if successful, will be of immense importance to the industry as a whole, not only in reducing operating costs but also in reducing the capital expenditure of the expanding mines.

Sinking of the main shaft at Western Areas was completed on March 3, 1961, and at present work is in progress on the installation of the permanent shaft equipment.

At the end of the March quarter the main shaft was at a depth of 6,502 at Zandpan and it is anticipated that it will intersect the reef in the very near future.

At Stilfontein both the James and the Toni shafts have now been completed and the last major shaft to be sunk from surface, the Scott shaft, is now in progress. In the short term the Stilfontein finances will be rather strained to maintain the present dividend but in the long run the prospects are promising.

With primary uranium producers such as Randfontein and West Rand Cons. the new fixed revenue for their uranium is of advantage when considering a gold price increase. Previously any increase in the revenue from gold would have reduced to a certain degree their revenue from uranium on the "cost-plus" formula.

The Harvie-Watt shaft sinking of Libanon is now complete and it is at present being equipped. This new shaft will open up the southern portion of the lease area.

Government G.M.A. now relies to quite an extent upon its pyrite production and will obviously be affected by the uranium stretch-out. However, it is not yet clear to what extent its present contracts will be changed.

Daggafontein is one of the uranium producing mines that has sold only a portion of its contract on a royalty basis. It is now planned, with only a reduced quota to fulfil, to operate at a higher uranium grade by passing the Kimberley reef slimes through the north flotation plant.

The prospects of Freddie's Consolidated continue to be dismal though the royalty that it is to receive following the sale of its uranium quota has given it a certain guaranteed income.

The initial shaft sinking programme at Braken has been completed and the first development results have been announced. Over a total 105 feet sampled 100 per cent proved payable at 204 inch dwts.

For the first time the grade at St. Helena has reached 7.2 dwts. This factor together with a record throughput for the quarter at 530,000 tons has resulted in a record profit. Saints, however, are now liable for taxation and have estimated the government's share of profits this quarter at £619,400.

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